



ᓄᓇᓂᓪ ᐃᓕᓕᓂᓪ ᑲᓂᓕᓂᓪ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **2BE-MOU1419**

April 25, 2014

Mr. Bogdan Nitescu
Geologist and Geography
(c/o Irwin Lowy LLP)
Hornby Bay Mineral Exploration Ltd.
365 Bay Street, Suite 400,
Toronto, ON M5H 2V1
email: info@hornbybay.com
bnitescu@hornbybay.com

RE: NWB Licence No. 2BE-MOU1419

Dear Bogdan Nitescu:

Please find attached Licence No. **2BE-MOU1419** issued to Hornby Bay Mineral Exploration Ltd. by the Nunavut Water Board (NWB) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada (Nunavut Land Claims Agreement or NLCA)*. The terms and conditions of the attached Licence related to water use and waste disposal are an integral part of this approval.

If the Licensee contemplates the renewal of this Licence, it is the responsibility of the Licensee to apply to the NWB for its renewal. The past performance of the Licensee, new documentation and information, and issues raised during a public hearing, if the NWB is required to hold one, will be used to determine the terms and conditions of the Licence renewal. Note that if the Licence expires before the NWB issues a new one, then water use and waste disposal must cease, or the Licensee may be in contravention of the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. However, the expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence. The NWB recommends that an application for the renewal of this Licence be filed at least three months prior to the Licence expiry date.

If the Licensee contemplates or requires an amendment to this licence, the NWB may decide, in the public interest, to hold a public hearing. The Licensee should submit applications for amendment as soon as possible to give the NWB sufficient time to go through the amendment process. The process and timing may vary depending on the scope of the amendment; however a minimum of sixty (60) days is required from time of acceptance by the NWB. It is the responsibility of the Licensee to ensure that all application materials have been received and are acknowledged by the Manager of Licensing.

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

Sincerely,



Thomas Kabloona
Nunavut Water Board
Chair

TK/sa/ri

Enclosure: Licence No. **2BE-MOU1419**
Comments – AANDC and EC

Cc: Kitikmeot Distribution List

¹ Aboriginal Affairs and Northern Development Canada (AANDC), March 18, 2014; Environment Canada (EC), February 26, 2014.

TABLE OF CONTENTS

DECISION	ii
WATER LICENCE RENEWAL.....	1
PART A: SCOPE, DEFINITIONS AND ENFORCEMENT	2
1. Scope	2
2. Definitions.....	2
3. Enforcement	3
PART B: GENERAL CONDITIONS.....	4
PART C: CONDITIONS APPLYING TO WATER USE.....	5
PART D: CONDITIONS APPLYING TO WASTE DISPOSAL	6
PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS	6
PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS.....	7
PART G: CONDITIONS APPLYING TO MODIFICATIONS.....	8
PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING	8
PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING.....	9
PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM.....	11

DECISION

LICENCE NUMBER: 2BE-MOU1419

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated January 20, 2014 for a renewal of a Water Licence made by:

HORNBY BAY MINERAL EXPLORATION LTD.

to allow for the use of water and disposal of waste during camp operations and activities related to exploration that include prospecting, geological mapping, ground geophysics, and diamond drilling at the Mouse Lake Project located within the Kitikmeot Region, Nunavut generally located at the geographical coordinates as follows:

Latitude: 67° 05' 58"N	Longitude: 115° 44' 12"W (Existing camp)
Max Latitude: 67° 10' 41"N	Longitude: 116° 28' 52"W (Drilling)
Min Latitude: 66° 38' 40"N	Longitude: 115° 20' 50"W (Drilling)

DECISION

After having been satisfied that the application was for a location that falls outside of an area with an approved Land Use Plan¹ and that the project proposal is exempt from screening by the Nunavut Impact Review Board² in accordance with Schedule 12.1, Paragraph 5 of the *Nunavut Land Claim Agreement (NLCA)*, the NWB decided that the application could proceed through the regulatory process. In accordance with S.55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (Act)* and Article 13 of the *NLCA*, public notice of the application was given and interested persons were invited to make representations to the NWB.

After reviewing the submission of the Applicant and considering the representations made by interested parties, having given due regard to the facts and circumstances, the merits of the submissions made to it and to the purpose, scope and intent of the *NLCA* and of the *Act*, waived the requirement to hold a public hearing, and determined that:

Licence No. 2BE-MOU0914 be renewed as Licence No. 2BE-MOU1419 subject to the terms and conditions contained therein. (Motion #: 2014-B1-004)

Signed this 24th day of April 2014 at Gjoa Haven, NU.



Thomas Kabloona
Nunavut Water Board
Chair

TK/sa/ri

1 NPC Determination, January 13, 2014;

2 NIRB Screening Exemption Decision, March 10 2014.

BACKGROUND

The Mouse Lake Project is an uranium exploration project located approximately 100 kilometres south of Kugluktuk. The original licence for the project, 2BE-MOU0608, which was issued on February 7, 2006, expired on October 31, 2008. The Licence was issued to Hornby Bay Exploration Limited. The Licence allowed for the use of twenty (20) cubic metres of water per day in support of uranium exploration activities. On April 26, 2006, Hornby Bay Exploration Limited changed its name to UNOR Inc.

The Licence was renewed as 2BE-MOU0914 on May 4, 2009 and it will expire on April 30 2014. The renewed licence was issued to UNOR INC. and allowed for the use of sixty five (65) cubic metres per day of water per day in support of uranium exploration activities. On June 1, 2010 UNOR Inc. notify the Board that on April 6, 2010 changed its name to Hornby Bay Mineral Exploration Ltd.

The Mouse Lake camp is used seasonally and is comprised of wooden-frame tent structures that provide facilities for core logging, office work, storage, power generation, first aid, food preparation and sleeping for approximately 40 people. In addition, the camp is equipped with a refuse burner, helicopter pad, fuel storage and refuelling facilities, a retractable dock, and a small boat.

PROCEDURAL HISTORY

On February 4 2014, the NWB received a complete Application from Hornby Bay Mineral Exploration Ltd. (HB MEL), for the renewal of Licence 2BE-MOU0914 to allow for the continued use of water and the deposit of waste in support of the Mouse Lake Project. The Application consists of the following documents:

- Signed renewal application form;
- Cover letters;
- Articles of Amendment (certificate of name change);
- Email Communication with the NWB;
- Email Communication with the NPC;
- Email Communication with the NIRB;
- Executive Summary – English;
- Executive Summary – Inuinnaqtun;
- Executive Summary – Inuktitut;
- HB MEL Nunavut (Kitikmeot) Mineral Claims and Mining Leases (map);
- Proposed 2014 Drilling Program – Eastern Half of Northern Coppermine Property (map);
- Proposed 2014 Drilling Program – Western Half of Northern Coppermine Property (map);
- Proposed 2014 Drilling Program – Southern Coppermine Property (map);
- Proposed 2014 Drill holes and Water Intake Points;
- List of HB MEL Mineral Claims;
- List of HB MEL Mining Leases;
- Information pertaining to Block 23 of the Application Form;
- Spill Contingency Plan;
- Abandonment and Restoration Plan;
- Uranium Exploration Plan;
- Cheque for Application Fee of \$30 CDN

- Cheque for Water Use Fee Deposit of \$90 CDN
- CD with digital versions in pdf format of the enclosed documents.

On February 18, 2014, the NWB distributed the application for a thirty-day public review period with a deadline for comments set for March 18, 2014. Before the deadline for comments had elapsed, submissions were received from two intervening parties, Aboriginal Affairs and Northern Development Canada (AANDC) and Environment Canada (EC). The interveners provided comments and recommendations pertaining to measures that can be implemented to further enhance protection of the areas within the project's footprint.

According to information contained in the renewal application, the scope of activities scheduled to be carried out under the project for the next five years will be similar to the activities carried out during the 2009–2014 field season. Planned Activities include diamond drilling conducting geological mapping and other activities involving no water use. There are no changes being requested by the Licensee to the remaining conditions under the existing licence.

ISSUES

Term of Licence

The Licensee requested that the term of renewal licence be for a period of 10 years. In review of the application and the submissions received from interested parties, there were no comments provided with respect to the Licence term. In accordance with the Nunavut Waters and Nunavut Surface Right Tribunal Act S. 45, the NWB may issue a licence for a term not exceeding twenty-five years. The NWB believes that a term of approximately five years is appropriate. The Licence term 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. Consequently, the NWB has renewed the Licence for five (5) years.

Water Use

The Licensee did not request any change to either the amount of water to be used under this Licence nor to the water source as identified within the previous Licence. The application remains unchanged to reflect the volume of water for camp and exploration activities proposed to be used by the Licensee. Total water use for the Mouse Lake Project is set at 65 m³ per day.

Waste Disposal

It is generally recommended that locations for waste disposal including drilling waste, be at a minimum of thirty (31) metres from any water body and such that there is no adverse effects to the quality, quantity and flow of water. The drill waste shall be disposed of in a sump. Special conditions are placed for the disposition of drill mud solids and cuttings with uranium concentrations greater than 0.05 per cent. This drill waste shall be disposed down the drill hole and sealed by grouting the upper 30 meters of the bedrock.

Drilling Operations

Drilling activities are permitted on land but not on-ice. Provisions are included ensuring that uranium drilling operations have minimal impact on water quality. The Plan entitled "Uranium Exploration Plan" dated January 2014 that was submitted as additional

information with the Application is to be approved with the issuance of the Licence.

The submitted plan will require an addendum to be submitted within thirty (30) days to address minor deficiencies in the original plan such as:

- a list of drilling fluid products to be used in the drilling program; the list should include the intended use of the product, the approximate concentration to be formulated in the mud system, and expected concentrations in the sump supernatant.

Spill Contingency Planning

The updated Spill Contingency Plan named “Spill Contingency Plan” and dated, January 2014 that was submitted with the application is to be approved with the issuance of the Licence.

The submitted plan will require an addendum to be submitted within thirty (30) days to address minor deficiencies such as:

- a. a response organization chart, identifying response personnel, their duties, on or off-site work locations and contact information;
- b. a summary of available communication equipment at site;
- c. intended locations, types and quantities of fuel to be stored and fuel handling procedures;
- d. a response plan to Calcium chloride spills;
- e. a response plan to radioactive materials spills.

Abandonment and Restoration

The Abandonment and Restoration Plan named “Abandonment and Restoration Plan” dated January 2014 that was submitted with the application is to be approved with the issuance of the Licence.

The submitted plan will require an addendum to be submitted within thirty (30) days to address minor deficiencies such as:

- a. additional information to be required before the seasonal abandonment and restoration of camp facilities, such as: inventory of chemicals reagents, petroleum products, and other hazardous materials at site, and record of fluid levels in all fuel tanks;
- b. mitigation measures for site restoration where uranium mineralization has been encountered.

Conditions Applying to Monitoring:

The Licensee shall record all sources and quantities of water used for all purposes and record all locations where any type of waste is disposed of.

Provisions are included for the monitoring of all drill sumps and core storage where uranium mineralization was encountered.

Requirement for all the data above in the monitoring section be included in the submitted annual reports.



**NUNAVUT WATER BOARD
WATER LICENCE RENEWAL**

Licence No. 2BE-MOU1419

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

HORNBY BAY MINERAL EXPLORATION LTD.

(Licensee)

365 BAY STREET, SUITE 400, TORONTO, ON M5H 2V1

(Mailing Address)

Herein after 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-MOU1419 TYPE "B"

Water Management Area: COPPERMINE WATERSHED - 28

Location: KITIKMEOT REGION, NUNAVUT

Classification: MINING UNDERTAKING

Purpose: WATER USE AND DEPOSIT OF WASTE

Quantity of Water use not to Exceed: SIXTY FIVE (65) CUBIC METRES PER DAY

Date of Licence Issuance: APRIL 24, 2014

Expiry of Licence: APRIL 23, 2019

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

**Thomas Kabloona,
Nunavut Water Board
Chair**

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of water and the disposal of waste for a Mining undertaking classified as per Schedule 1 of the *Regulations* at the Mouse Lake Project, located approximately 100 km south of Kugluktuk 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.

“Amendment” means a change to original terms and conditions of this Licence requiring correction, addition or deletion of specific terms and conditions of the Licence; modifications inconsistent with the terms of the set terms and conditions of the Licence;

“Appurtenant Undertaking” means an undertaking in relation to which a use of water or a deposit of waste is permitted by a licence issued by the Board;

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

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

“Engineer” means a professional engineer registered to practice in Nunavut in accordance with the *Consolidation of Engineers and Geoscientists Act S. Nu 2008, c.2* and the *Engineering and Geoscience Professions Act S.N.W.T. 2006, c.16 Amended by S.N.W.T. 2009, c.12*;

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

“High Water Mark” means the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land (ref. Department of Fisheries and Oceans Canada, Operational Statement: Mineral Exploration Activities);

“Inspector” means an Inspector designated by the Minister under Section 85 (1) of the *Act*;

“Licensee” means the holder of this Licence;

“Modification” means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion;

“Nunavut Land Claims Agreement (NLCA)” means the “*Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada*”, including its preamble and schedules, and any amendments to that agreement made pursuant to it;

“Regulations” means the *Nunavut Waters Regulations* SOR/2013-69 18th April, 2013;

“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” 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” or “Waters” means waters as defined in section 4 of the *Act*.

3. Enforcement

- a. Failure to comply with this Licence will be a violation of the *Act*, subjecting the Licensee to the enforcement measures and the penalties provided for in the *Act*;
- b. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- c. For the purpose of enforcing this Licence and with respect to the use of water and deposit or discharge of waste by the Licensee, Inspectors appointed under the *Act*, hold all powers, privileges and protections that are conferred upon them by the *Act* or by

other applicable law.

PART B: GENERAL CONDITIONS

1. The water use fees, payable to the Receiver General for Canada, shall be sent to the Board annually for the right to the use of water in accordance with Section 12 of the *Regulations*.
2. The Licensee shall file an Annual Report on the Appurtenant Undertaking with the Board no later than March 31st of the year following the calendar year being reported, containing the following information:
 - a. a summary report of water use and waste disposal activities;
 - b. a list of unauthorized discharges and a summary of follow-up actions taken;
 - c. any revisions to the Spill Contingency Plan and Abandonment and Restoration Plan, as required by Part B, Item 7, submitted in the form of an Addendum;
 - d. a description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - e. report all artesian flow occurrences as required under Part F, Item 6;
 - f. a summary of all information requested and results of the Monitoring Program; and
 - g. any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
3. The Licensee shall notify the NWB of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change.
4. The Licensee shall install flow meters or other such devices, or implement suitable methods required for the measuring of water volumes as required under Part J, Item 1.
5. The Licensee shall, for all Plans submitted under this Licence, include a proposed timetable for implementation. Plans submitted, cannot be undertaken without subsequent written Board approval and direction. The Board may alter or modify a Plan if necessary to achieve the legislative objectives and will notify the Licensee in writing of acceptance, rejection or alteration of the Plan.
6. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
7. The Licensee shall review the Plans referred to in this Licence, as required by changes in operation and/or technology, and modify the Plan accordingly. Revisions to the Plans shall be submitted in the form of an Addendum to be included with the Annual Report.
8. Every Plan to be carried out pursuant to the terms and conditions of this Licence shall become a part of this Licence, and any additional terms and conditions imposed upon approval of a Plan by the Board become part of this Licence. All terms and conditions of the Licence should be contemplated in the development of a Plan where appropriate.
9. The Licensee shall ensure a copy of this Licence is maintained at the site of operations at all times. Any communication with respect to this Licence shall be made in writing to the attention

of:

(a) Manager of Licensing:

Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Telephone: (867) 360-6338
Fax: (867) 360-6369
Email: licensing@nunavutwaterboard.org

(b) Inspector Contact:

Manager of Field Operations, AANDC
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4295
Fax: (867) 979-6445

10. The Licensee shall submit one paper copy and one electronic copy of all reports, studies, and plans to the Board. Reports or studies submitted to the Board by the Licensee shall include a detailed executive summary in Inuktitut.
11. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the NWB is received and acknowledged by the Manager of Licensing.
12. This Licence is assignable as provided for in Section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all water for domestic camp use from Mouse Lake. Total camp water use shall not exceed five (5) cubic metres per day. Drill water shall be obtained from local water source(s), proximal to the drilling targets as outlined in the application and shall not exceed sixty (60) cubic meters per day. The volume of water for the purposes of this Licence shall not exceed sixty five (65) cubic meters per day.
2. Streams cannot be used as a water source unless authorized and approved by the Board in writing.
3. The Licensee shall submit, at least thirty (30) days prior to the use of water of a sufficient volume that the source water body may be drawn down, to the Board for approval in writing, 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 undertaking to prevent entry of sediment into water.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. The Licensee shall locate areas designated for waste disposal at a minimum distance of thirty one (31) metres from the ordinary high water mark of any water body such that the quality, quantity or flow of water is not impaired, unless otherwise approved by the Board in writing.
2. The Licensee shall not practice on-site land filling of domestic waste, unless otherwise approved by the Board in writing.
3. The Licensee is authorized to dispose of all acceptable food waste, paper waste and untreated wood products in an incinerator.
4. The Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials of incomplete combustion and/or leachate from contaminated ash residual from impacting any surrounding waters, unless otherwise approved by the Board in writing.
5. The Licensee shall provide to the Board documented authorization from all communities in Nunavut receiving wastes from the Mouse Lake Project prior to any backhauling and disposal of wastes to those communities.
6. The Licensee shall backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation at a licensed waste disposal site.
7. The Licensee shall maintain records of all waste backhauled and records of confirmation of proper disposal of backhauled waste. These records shall be made available to an Inspector upon request.
8. 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.
9. The Licensee shall contain all toilet wastes in latrine pits or use incineration of eco-toilet bags, or composting toilets.
10. Latrine pits shall be located at a distance of at least thirty one (31) meters above the ordinary High Water Mark of any water body, treated with lime and covered with native material to achieve the pre-existing natural contours of the land prior to abandonment.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND

OPERATIONS

1. The Licensee shall not erect camps or store material on the surface of frozen streams or lakes including the immediate banks except what is for immediate use. Camps shall be located such as to minimize impacts on surface drainage.
2. The Licensee shall conduct all activities in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake corrective measures in the event of any impacts on surface drainage.
3. The Licensee shall construct all winter lake and stream crossings, including ice bridges, entirely of water, ice or snow. The Licensee shall minimize disturbance by locating ice bridges in an area that requires the minimum approach grading and the shortest crossing route. Stream crossings shall be removed or the ice notched prior to spring break-up.
4. With respect to access road, pad construction or other earthworks, the deposition of debris or sediment into or onto any water body is prohibited. These materials shall be disposed a distance of at least thirty one (31) metres from the ordinary high water mark in such a fashion that they do not enter the water.
5. The Licensee shall not mobilize heavy equipment or vehicles for trenching or other activities unless the ground surface is capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles shall be suspended if rutting occurs.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

1. The Board has approved the plan entitled “Mouse Lake Project Uranium Exploration Plan” Version January 2014 that was submitted with the Application.
2. The Licensee shall submit within thirty (30) days of issuance of the Licence, an Addendum to the Plan referred to in Part F, Item 1, addressing the following issue:
 - a. the Plan shall include a list of drilling fluid products to be used in the drilling program; the list should comprise the intended use of the product, the approximate concentration to be formulated in the mud system, and expected concentrations in the sump supernatant.
3. 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.
4. 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.
5. Drill mud solids or cuttings with a uranium concentration greater than 0.05 percent are to be collected and then disposed of down the drill hole and sealed by cementing (grouting).

6. 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.
7. On-ice drilling is not authorized under this Licence.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

1. The Licensee may, without written consent from the Board, carry out Modifications to the Water Supply Facilities and Waste Disposal Facilities provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:
 - a. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
 - b. such Modifications do not place the Licensee in contravention of the Licence or the *Act*;
 - c. such Modifications are consistent with the NIRB Screening Decision;
 - d. the Board has not, during the sixty (60) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than sixty (60) days; and
 - e. the Board has not rejected the proposed Modifications.
2. Modifications for which all of the conditions referred to in Part G, Item 1 have not been met can be carried out only with written approval from the Board.
3. The Licensee shall provide as-built plans and drawings of the Modifications referred to in this Licence within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

1. The Board has approved the Plan entitled “Spill Contingency Plan” (SCP) dated January 2014 that was submitted as additional information with the Application.
2. The Licensee shall submit within thirty (30) days of issuance of the Licence, an Addendum to the Plan referred to in Part H, Item 1, to address identified issues:
 - a. corporate contact information of the Licensee with name, address and 24 hour contact number, if available;
 - b. a summary of available communication equipment at site;
 - c. intended locations, types and quantities of fuel to be stored and fuel handling procedures;
 - d. inclusion of a response plan to calcium chloride spills;
 - e. inclusion of a response plan to radioactive materials spills.
3. The Licensee shall retain and have a copy of the up-to-date Spill Contingency Plan available at site at all times.

4. 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.
5. 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.
6. The Licensee shall examine all fuel and chemical storage containers immediately upon delivery and daily for leaks. All leaks shall be repaired immediately.
7. The Licensee shall seal all container outlets except the outlet currently in use.
8. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - a. employ the approved Spill Contingency Plan;
 - b. report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295; and
 - c. for each spill occurrence, submit to the Inspector, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.
9. The Licensee shall, in addition to Part H, Item 8, regardless of the quantity of releases of harmful substances, report to the NWT/NU Spill Line if the release is near or into a water body.

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

1. The Board has approved the Plan entitled “Abandonment and Restoration Plan” (A&RP) dated January 2014 that was submitted as additional information with the Application.
2. The Licensee shall submit within thirty (30) days of issuance of the Licence, an Addendum to the Plan referred to in Part I, Item 1, including in the Plan additional measures that should be implemented , such as:
 - a. prior seasonal closure the Licensee shall conduct an inventory of chemicals reagents, petroleum products, other hazardous materials at site, and record fluid levels in all fuel tanks;
 - b. inclusion of mitigation measures for site restoration where uranium mineralization has been encountered.
3. The Licensee shall complete all restoration work prior to the expiry of this Licence.
4. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee’s operations.

5. The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.
 6. The Licensee shall remove from the site all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment prior to the expiry of this Licence.
 7. All roads and airstrip, if any, shall be re-graded to match natural contour to reduce erosion.
 8. The Licensee shall remove any culverts and restore the drainage to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.
 9. 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.
 10. 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.
 11. 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.
 12. Drill holes are to be sealed by cementing (grouting) the upper 30 metres of bedrock or the entire depth of the hole, whichever is less or as otherwise approved by the Board in writing.
 13. The Licensee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the drilling. Any drill hole that encounters mineralization with a uranium content greater than 1.0% over a length > 1 meter, and with a meter-percent concentration >5.0, shall be sealed by grouting over the entire length of the mineralization zone and 10 meters above and 10 meters below each mineralization zone as best as possible.
 14. 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.
 15. For the long term storage of drill core, radiation levels must be reduced to less than 1.0 µSv measured at 1 metre from the surface and in no instance is the level allowed to exceed 2.5 µSv.
 16. If the radiation levels for the stored core exceed the levels identified in Part I, Item 13, the Licensee shall submit to the AANDC Water Resources Inspector, a detailed report of the test results and the proposed core handling procedures for removal to an offsite approved facility.
 17. The Licensee shall contour and stabilize all disturbed areas to a pre-disturbed state upon completion of work.
-

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

1. The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized for camp, drilling and other purposes.
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 and drilling operations are deposited.
4. 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.
5. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
6. Where uranium mineralization has been encountered, under Part F, Item 5 and Part I, Items 13 and 15, the Licensee shall monitor the drill sumps and core storage areas to provide the necessary data needed in order to assess and ensure that the mitigation measures required for restoration under the Abandonment and Restoration Plan have been completed.
7. The Licensee shall include in the Annual Report required under Part B, Item 2 all data, monitoring results and information required by this Part.