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GJOA HAVEN, NU X0B 1J0
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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

File No.: ~~3BC-NAN0608~~ 2BE-NAN0608

February 3, 2006

Attention: Jennifer Pell
Vice President, Exploration
Dunsmuir Ventures Ltd.
301-1250 Homer Street
Vancouver, BC V6B 1C6
Email: jpell@dunsmuirventures.com

RE: NWB Licence No. ~~3BC-NAN0608~~ 2BE-NAN0608 (previously NWB2NAN0305)

Dear Ms. Pell:

Please find attached Licence No. ~~3BC-NAN0608~~ 2BE-NAN0608 issued to Dunsmuir Ventures Ltd. by the Nunavut Water Board (**Motion 2005-32**) pursuant to 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. **Please note new file number and refer to this number in all future correspondence pertaining to this file.**

Sincerely,

Original Signed By:

Philippe di Pizzo
Chief Administrative Officer

DH/pdp/pb

Enclosure: Licence No. ~~3BC-NAN0608~~ 2BE-NAN0608

cc: Jim Rogers, DIAND
Luis Manzo, KIA
Erin Calder, NWMB
Colette Spagnuolo, EC
Earle Baddaloo – GN-DOE
Derrick Moggy, DFO
Tania Gordanier - DFO



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NUNAVUT WATER BOARD

NUNAVUT IMALIRIYIN KATIMAYINGI

DECISION

LICENCE NUMBER: ~~3BC-NAN0608~~ 2BE-NAN0608

This is the decision of the Nunavut Water Board (NWB) with respect to an application for a renewal of Licence dated July 11, 2005 made by:

DUNSMUIR VENTURES LTD.

to allow for the use of water and disposal of waste during camp operations at the Nanuq Project located within the Kivalliq Region, Nunavut (the camp having the coordinates of - latitude 65°14.6'N and longitude 91° 7.3'W).

DECISION

After having been satisfied that the application was in conformity with the applicable Land Use Plan and exempt from the requirement for screening by the Nunavut Impact Review Board 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* (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 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, decided to waive the requirement to hold a public hearing and furthermore to delegate its authority to approve the application to the Chief Administrative Officer pursuant to S. 13.7.5 of the NLCA and S. 49(a) of the NWNSRTA and determined that:

Licence Number ~~3BC-NAN0608~~ 2BE-NAN0608 be issued subject to the terms and conditions contained therein. (Motion #: 2005-32)

SIGNED this 3rd day of February 2006 at Gjoa Haven, NU.

Original Signed By:

Philippe di Pizzo

Chief Administrative Officer

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LICENCE ~~3BC-NAN0608~~ 2BE-NAN0608

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

DUNSMUIR VENTURES LTD.

(Licensee)

of

310-1250 HOMER STREET, VANCOUVER, BC, V6B 1C6

(Mailing Address)

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

~~3BC-NAN0608~~ 2BE-NAN0608

Licence Number

NUNAVUT 06

Water Management Area

NANUQ PROJECT, KIVALLIQ REGION, NUNAVUT

Location

WATER USE AND WASTE DISPOSAL

Purpose

MUNICIPAL – TYPE “B”

Classification of Undertaking

5 CUBIC METRES DAILY

Quantity of Water Not to Exceed

February 3, 2006

Date of Licence

JANUARY 30, 2008

Expiry Date of Licence

Dated this 3rd day of February 2006 at Gjoa Haven, NU.

Original signed by:

Philippe di Pizzo

Chief Administrative Officer

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of water and the disposal of waste for a municipal undertaking at the Nanuq Project, located approximately 250 km northeast of Baker Lake and approximately 170 km north of Chesterfield Inlet within the Kivalliq Region, Nunavut (latitude 65°14.6'N and longitude 91° 7.3'W);

- i. 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;
- ii. 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

In this Licence: ~~3BC-NAN0608~~ **2BE-NAN0608**

“Act” means the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

“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 waters 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*;

“Chief Administrative Officer” means the Executive Director of the Nunavut Water Board;

- ii. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- iii. 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 fee shall be paid in accordance with the requirements of the Act.
2. Licensee shall file an Annual Report on the appurtenant undertaking with the Board not later than March 31st of the year following the calendar year being reported which shall contain the following information:
 - i. A summary report of water use and waste disposal activities;
 - ii. A list of unauthorized discharges and a summary of follow-up actions taken;
 - iii. Revisions to the Spill Contingency Plan and Abandonment and Restoration Plan;
 - iv. Progressive reclamation work undertaken; and
 - v. 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, to be operated and maintained to the satisfaction of an Inspector.
5. If the Licensee contemplates the renewal of Licence No. ~~3BC-NAN0608~~ 2BE-NAN0608, 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. The NWB recommends that an application for the renewal of Licence No. ~~3BC-NAN0608~~ 2BE-NAN0608 be filed at least three months before the Licence expiry date.

6. If Licence No. ~~3BC-NAN0608~~ 2BE-NAN0608 requires an amendment, a public hearing may be required. 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 may vary depending on the scope of the amendment requested.
7. 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) Chief Administrative Officer:

Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Telephone: (867) 360-6338
Fax: (867) 360-6369

(ii) Inspector Contact:

Water Resources Officer
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4298
Fax: (867) 979-6445

8. 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.
9. This Licence is not assignable except as provided in Section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain water for domestic use, from the small unnamed lake approximately 100 metres from the camp, up to a maximum of 5 cubic metres per day.
2. The Licensee shall equip all water intake hoses with a screen of an appropriate mesh size to ensure that there is no entrainment of fish and shall withdraw water at a rate such that fish do not become impinged on the screen.