



P.O. Box 119

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NUNAVUT WATER BOARD

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NUNAVUT

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File No: NWB2NAP0204

December 16, 2002

Diane Gregory
Lands and Contracts Manager
Kennecott Canada Exploration Inc.
Granville Square, #354-200 Granville Street
Vancouver, BC V6C 1S4

SENT VIA E-MAIL:

RE: NWB Licence No. NWB2NAP0204

Dear Ms. Gregory:

Please find attached the licence No. NWB2NAP0204 issued to Kennecott Canada Exploration Inc. by the Nunavut Water Board (**Motion #: 2002-23**) pursuant to its authority under Article 13.5.5 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.

Sincerely,

Original signed by:
Philippe di Pizzo
Executive Director

Enclosure: Licence No. **NWB2NAP0204**

cc: Paul Smith, DIAND Iqaluit
Constantine Bodykevich, DIAND Inspector
Michelle McChristie, Kitikmeot and Kivalliq Regional Coordinator, DIAND
Tongola Sandy, Lands Manager, Kitikmeot Inuit Association
Gladys Joudrey, Nunavut Impact Review Board
Josee Gallipeau, Nunavut Wildlife Management Board
Paula Pacholek, Environment Canada
Earl Baddaloo, Department of Sustainable Development
Jordan DeGroot, Department of Fisheries and Oceans

APPROVAL FOR WATER USE AND WASTE DISPOSAL

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 Nunavut Water Board, hereinafter referred to as the Board, hereby grants to Kennecott Canada Exploration Inc. authorization to use water and dispose of waste into water in conjunction with camp operations near Napaktulik Lake subject to the terms and conditions outlined herein and in the applicable land use permits.

APPLICATION NO:	NWB2NAP0204
LICENSEE:	Kennecott Canada Exploration Inc. Granville Square, #354-200 Granville Street Vancouver, BC V6C 1S4 Phone: (604) 669-1880 Fax: (604) 669-5255 E-mail: diane.gregory@kennecott.com
START DATE:	December 01, 2002
EXPIRY DATE:	December 31, 2004
PURPOSE:	Water Use and Waste Disposal Associated with Camp Operations
LOCATION:	Napaktulik Lake, Kitikmeot Region, Nunavut General Latitude: 66°33'8.5"; Longitude: 112°55'3.87" NTS Map: 86I/10; 1:50,000

This approval issued and recorded at Gjoa Haven includes and is subject to the annexed conditions.

Original signed by:

Philippe di Pizzo
Executive Director

PART A: SCOPE, DEFINITIONS & ENFORCEMENT

1. Compliance with the terms and conditions of this approval does not absolve the Licensee from responsibility for compliance with all applicable legislation, guidelines, or directives.
2. This approval 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, and with respect to any other impacts of the Licensee's activities on water quality, quantity or flow, including surface drainage.
3. Definitions:

 "Combustible waste" means paper, non-treated wood products, and kitchen food waste.

 "Sewage Treatment Facilities" comprises the area and engineered mechanical system designed for the containment, and aerobic biological treatment, of sewage, as described in the Application for Water Licence filed on 2 August 2002;

 "Sump" means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein; and

 "Water Supply Facilities" means the area and associated intake infrastructure at the water supply lake, as described in the Application for Water Licence filed on 2 August 2002.
4. The Licensee shall maintain a copy of this Licence at the sites of operation at all times.
5. Enforcement
 - i. Failure to comply with this Licence will be a violation of the *Nunavut Water and Nunavut Surface Rights Tribunal Act*, exposing the Licensee to the enforcement measures and the penalties provided for in the Act.
 - ii. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Nunavut Water and Nunavut Surface Rights Tribunal Act*.
 - iii. Inspectors appointed under the *Nunavut Water and Nunavut Surface Rights Tribunal Act* enjoy-with respect to this Licence, and for the purpose of

enforcing this Licence, and with respect to the use of water and deposit or discharge of waste by the licensee-all powers, privileges and protections that are conferred upon them by the *Nunavut Water and Nunavut Surface Rights Tribunal Act* or by other applicable law.

PART B: GENERAL CONDITIONS

1. The Licensee shall file a report with the Board no later than March 31 of the year following the calendar year reported, which contains 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 Contingency Plan for Material Spills;
 - iv. Progressive reclamation work undertaken;
 - v. Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
2. The NWB shall be notified of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change.

PART C: CONDITIONS FOR THE USE AND PROTECTION OF WATER

1. The Licensee shall obtain water for domestic use using the Water Supply Facilities up to a maximum of 25 cubic metres per day
2. The Licensee shall equip all water intake hoses with a screen with an appropriate mesh size to ensure that there is no entrainment of fish.
3. The Licensee shall not remove any material from below the ordinary high water mark of any water body.
4. The Licensee shall not do anything that will cause erosion of the banks of any body of water on or adjacent to the land and shall provide necessary controls to prevent such erosion.
5. Sediment and erosion control measures shall be implemented prior to and maintained during the operation to prevent entry of sediment into water.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. Areas designated for waste disposal that may impair the quality, quantity, or flow of water shall not be located within thirty (30) metres of the ordinary high water mark of any body of water, unless otherwise authorized by the Board.
2. The Licensee shall discharge and contain all greywater in a sump located at least thirty (30) metres from the 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.
3. The Licensee shall discharge effluent from the Sewage Treatment Facility to the greywater disposal sump.
4. The Licensee shall incinerate all combustible waste, and shall ensure that all hazardous wastes and non-combustible waste generated through the course of the operation are backhauled and disposed of in an approved off-site facility.

PART E: CONDITIONS FOR CAMPS AND ACCESS INFRASTRUCTURES

1. The Licensee shall not erect camps or store material on the surface of frozen streams or lakes except what is for immediate use. Camps shall be located such as to minimize impacts on surface drainage.
2. All activities shall be conducted in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake any corrective measures in the event of any impacts on surface drainage.
3. Winter lake and stream crossings, including ice bridges, shall be constructed entirely of water, ice or snow; stream crossings shall be removed or notched prior to spring break-up.
4. With respect to access road and pad construction or other earthworks, the deposition of debris or sediment into any water body is prohibited. These materials shall be disposed of above the high water mark in such a fashion that they do not enter the water.

PART F: CONDITIONS APPLYING TO SPILL PREVENTION AND CONTINGENCY PLANNING

1. The Licensee shall ensure that any chemicals, fuel or wastes associated with the project do not enter water. Sumps and fuel caches shall be located a minimum of thirty (30) metres from the normal high water mark of any adjacent watercourse.

2. The Licensee shall revise their Contingency Plan for Material Spills annually to reflect changes in personnel, operations and/or technology or as directed by the Board. The Licensee shall submit an up-dated Contingency Plan for Material Spills to the Board within 60 days of the issuance of this Licence.
3. If, during the duration of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - i. Employ the Contingency Plan;
 - ii. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the DIAND Water Resources Inspector at (867) 975-4298; and
 - iii. Submit to the DIAND Water Resources Inspector a detailed report, including the GPS location, on each occurrence no later than thirty (30) days after initially reporting the event.

PART G: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

1. The Licensee shall submit to the Board for approval, within six (6) months of issuance of this Licence, an Abandonment and Restoration Plan prepared in accordance with applicable sections of the "*Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories (1990)*". The plan shall be revised annually to reflect changes in operation and/or technology.
2. If not approved by the Board, the plan referred to in Part G, Item 1 shall be revised and resubmitted within thirty (30) days of receiving notification of the Board's decision.
3. The Licensee shall backfill and restore to the satisfaction of the Inspector all sumps back to the natural surrounding contours of the land prior to the expiry of this permit.
4. The Licensee shall undertake progressive restoration for any components of the project, which are no longer required for the Licensee's operations.
5. All disturbed areas shall be stabilized and re-vegetated as required, upon completion of work and restored to a pre-disturbed state.

GENERAL CONDITIONS FOR THE ADMINISTRATION OF LICENCES ISSUED BY THE NUNAVUT WATER BOARD (NWB)

The following conditions form an integral part of Licence No. **NWB2NAP0204**:

1. At the time of issuance, a copy of the Licence is placed on the Water Register in the NWB Head Office in Gjoa Haven. **Documents in the Register are available to the public.**
2. If the Licensee contemplates the renewal of Licence No. **NWB2NAP0204**, it is its responsibility 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. **NWB2NAP0204** be filed **at least three months** before the Licence's expiry date.
3. If Licence No. **NWB2NAP0204** requires 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.
4. 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

5. 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.**