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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **2BE-NQN1521**

March 31, 2015

Mr. David Willis
Land Administrator
Peregrine Diamonds Ltd.
Suite 201 – 1250 Homer Street
Vancouver, B.C.
B6V 1C6
Email: dave@pdiam.com

RE: NWB Renewal Licence No. 2BE-NQN1521

Dear Mr. Willis:

Please find attached Licence No. **2BE-NQN1521** issued to Peregrine Diamonds 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 (3) months prior to the Licence expiry date.

If the Licensee contemplates or requires an amendment to this licence, the NWB may decide, in the public'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 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 Aboriginal Affairs and Northern Development Canada (AANDC) on issues identified. This information is attached for your consideration.¹

Sincerely,



Thomas Kabloona
Nunavut Water Board
Chair

TK/sa/mp

Enclosure: Licence No. **2BE-NQN1521**
Comments – AANDC

Cc: Kivalliq Distribution List

¹ Aboriginal Affairs and Northern Development Canada (AANDC), November 28, 2014

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I. BACKGROUND

The Nanuq North Project is a diamond exploration project located approximately 230 km southwest of Repulse Bay, and approximately 250 km north of Chesterfield Inlet within the Kivalliq Region of Nunavut.

II. PROCEDURAL HISTORY

The original Type B Water Licence for the project, 2BE-NQN0914, was issued on June 18, 2009 to Indicators Minerals Inc. and on September 19, 2011 it was assigned to Peregrine Diamonds Ltd (PLD). The Licence allowed for the use of water, with the quantity not to exceed fifty (50) cubic metres per day, and the disposal of waste in support of diamond exploration activities, including soil and rock sampling, mapping, prospecting, ground geophysics and drilling.

On November 16, 2009 the NWB issued an amendment (Amendment No. 1) to the Licence to allow operation of remote camp and increase of water use of additional eight (8) cubic meters, with total Water use not to exceed fifty eight (58) cubic metres per day.

On October 14, 2014 the Nunavut Water Board (NWB or Board) received from PDL the following documents in support of the renewal of Water Licence 2BE-NQN0914:

- Cover letter of Renewal Application dated October 15 2014;
- Application for Renewal;
- Appendix A, NIRB screening Decision Report No.: 09EN011;
- Appendix B: Map No. 1, NTS Map 56G, Map No. 2, Camp Location;
- Appendix C: Consultation documents (Nanuq & Nanuq North - Chronology of Community Engagement);
- Appendix D: PDL's Certificate of Compliance, PDL's Certificate of Registration, and June 2014 Financial Statement of PDL;
- Appendix E: Updated Plans – 2014: Abandonment and Restoration Plan, and Spill Contingency Plan of Nanuq North Project, Kivalliq Region, Nunavut, October 15 2014;
- Appendix F: Project Summary in English and Inuktitut;

On October 28, 2014 the NWB distributed the Application to interested persons for a thirty (30) day comment and review period. On November 28, 2014 AANDC submitted a memorandum with comments for the NWB's consideration. Comments and recommendations provided by AANDC are related to measures that the proponent could implement to enhance protection of the environment within the project's footprint.

III. ISSUES

Term of Licence

The current Water Licence 2BE-NQN0914 expired on October 31, 2014, and as such the Board wishes to remind Peregrine Diamonds Ltd. that the *Nunavut Waters and Nunavut Surface*

Rights Tribunal Act (Act) Section 46 states:

The expiry or cancellation of a Licence does not relieve the holder from any obligations imposed by the Licence.

The Board wants to remind the Applicant that it is the Applicant's responsibility to undertake proper planning to ensure the applications are submitted with sufficient time for the NWB to conduct its process.

The Licensee has requested that the term of renewal of the license be established for a period of (6) years, proposing November 1, 2014 as the date of issuance of the renewal Licence and a proposed expiry date of November 1, 2020. No comments were received during the review of the Application by interested parties regarding the Licence term.

The NWB is satisfied that the term requested by the Applicant is appropriate and may be necessary to ensure that the Applicant can properly carry out the terms and conditions of the licence. A six (6) year renewal 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. Additionally, 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. Consequently, the Board views it appropriate to grant the Renewed Licence for a six (6) year term.

Water Use

The Application stated that the source of Water and the estimated quantity of Water to be used are the same as those considered in the expired Licence. Therefore, the Board has included conditions under Part C of the Renewal Water Licence establishing the total water use for the Nanuq North Project at 58 m³ per day.

Waste Disposal

All waste generated by the Project will require management in accordance with the applicable legislation and guidelines. Additionally, the Board has included under Part D of this Licence terms and conditions ensuring that all Project wastes receive proper treatment and disposal. The following recommendations also apply²:

- The Licensee shall not deposit, nor permit the deposit of chemicals, sediment, wastes, or fuel associated with the Project into any water body.
- The Licensee shall ensure that all hazardous wastes, including waste oil, receive proper treatment and disposal at an approved facility.

² Letter to NIRB from C. Spavor, EC Re: NIRB 09EN011 – Notice of Part 4 Screening for Indicator Minerals Inc.'s "Nanuq North Exploration" Project Proposal, on April 16 2009

- Used absorbent materials, oily or greasy rags, and equipment servicing wastes (such as used engine oil, antifreeze, hydraulic oil, lead acid batteries, brake fluid and other lubricants) should be safely stored and transported in sealed containers (odour free to prevent animal attraction) and safely transported to a facility that is authorized for the treatment and disposal of industrial hazardous wastes.
- The Licensee is considering onsite incineration as another waste disposal option. Environment Canada (EC) recommends the use of an approved incinerator for the disposal of combustible camp wastes and recommends the Licensee consult the “Technical Document for Batch Waste Incineration” (EC, 2010) to seek guidance on the selection of appropriate incineration equipment and best management practices required to achieve the Canada – Wide standards for dioxins/furans and mercury.

Drilling Operations

Drilling activities are permitted on land and on-ice. Provisions are included under Part F of the Water Licence ensuring that drilling operations have minimal impact on water quality.

The following recommendations also apply³:

- Chemical additives or drilling muds used in connection with this drilling program shall be disposed of in such a way that they do not enter any water body either by surface or ground water flows.
- Canadian Environmental Protection Act lists calcium chloride (CaCl_2) as a toxic substance. The Licensee shall therefore ensure that if CaCl_2 is used as a drill additive, all sumps containing CaCl_2 are properly constructed and located in such a manner as to ensure the contents will not enter any water body.

Spill Contingency Planning

The updated Spill Contingency Plan named “Spill Contingency Plan Nanuq North Project” dated; August 15 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. applicable period of the Plan;
- b. include an inventory of fuel and chemical stored at site;
- c. provide name, title and 24 hr. contact number of the spill response team leaders;
- d. include a site map of the project area showing all components of the undertaking, of suitable scale to indicate any sensitive Waters subject to potential impacts from the undertaking;

- e. the data included in Table 2 (“Projected Fuel and Oil Use for 2013/2014 Exploration Activities”) shall be updated to reflect 2015 Exploration Activities;
- f. include a detailed description of the secondary containment systems that will be employed to prevent any spills of petroleum hydrocarbons;
- g. Include contact information of Nunavut Water Board: (867) 360-6338.

Abandonment and Restoration

The Abandonment and Restoration Plan named “Abandonment and Restoration Plan Nanuq North Project” dated October 15 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 of the issuance of the Licence to address minor deficiencies such as:

- a. include a Table of Contents (Index);
- b. applicable period of the Plan;
- c. any regulatory instrument in place (i.e. land use);
- d. include seasonal abandonment and final abandonment timeframes;
- e. describe infrastructure built/ to be built to support the Project, types, materials and locations;
- f. create an inventory of chemicals and reagents, petroleum products and other hazardous waste materials before seasonal shutdown;
- g. Create a registry where the records of fluid levels in all fuel tanks regularly, during camp activity and before seasonal shutdown are kept.

Additionally, the Board recommends the Licensee refer to the” Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories” (November 2013, Mackenzie Valley Land and Water Board) to seek guidance on closure and reclamation planning.

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. The Board has included conditions under Part B requiring the Licensee to include all the monitoring data in the Annual Reports.

DECISION

LICENCE NUMBER: 2BE-NQN1521

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated October 6, 2014 for a renewal of a Water Licence made by:

PEREGRINE DIAMONDS LTD.

to allow for the use of water and disposal of waste during camp operations and activities related to exploration that include prospecting, mapping, till and rock sampling, ground geophysics and drilling at the Nanuq North Project located within the Kivalliq Region, Nunavut generally located at the geographical coordinates as follows:

65° 42' 27" N	91° 14' 59" W
65° 29' 07" N	90° 31' 58" W

Latitude: 65° 23' 43" N Longitude: 91° 12' 55" W (Existing camp)

DECISION

After having been satisfied that the application was in conformity with the Keewatin Regional Land Use Plan³ as determined by the Nunavut Planning Commission (NPC) and exempt from the requirement for Screening as described within Schedule 12-1 by the Nunavut Impact Review Board⁴ in accordance with Article 12 of the *Nunavut Land Claim Agreement (NLCA)*, the NWB decided that the application could proceed through the regulatory process. In accordance with S.55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (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 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 *Act*, waived the requirement to hold a public hearing, and determined that:

Licence No. 2BE-NQN0914 be renewed as Licence No. 2BE-NQN1521 subject to the terms and conditions contained therein. (Motion #: 2014-B1-048)

Signed this 31st day of MARCH, 2015 at Gjoa Haven, NU.



Thomas Kabloona
Nunavut Water Board Chair

³ Nunavut Planning Commission (NPC) email on Nov 3, 2014

⁴ Nunavut Impact Review Board (NIRB) letter on October 30, 2014



NUNAVUT WATER BOARD WATER LICENCE RENEWAL

Licence No. 2BE-NQN1521

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

PEREGRINE DIAMONDS LIMITED

(Licensee)

SUITE 201 – 1250 HOMER STREET, VANCOUVER, B.C., B6V 1C6

(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-NQN1521 TYPE “B”

Water Management Area: 15 - WAGER BAY WATERSHED

Location: KIVALLIQ REGION, NUNAVUT

Classification: MINING AND MILLING UNDERTAKING

Purpose: DIRECT WATER USE AND DEPOSIT OF WASTE

Quantity of Water use not
to Exceed: FIFTY EIGHTH (58) CUBIC METRES PER DAY

Date of Licence Issuance: 31 March 2015

Expiry of Licence: 30 March 2021

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 and Milling undertaking classified as per Schedule 1 of the *Regulations* at the Nanuq North Project, located approximately 230 km southwest of Repulse Bay and 250 km of Chesterfield Inlet, within the Kivalliq 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

“Abandonment and Restoration Plan” means a Plan that would be followed in order to close and reclaim the site, either temporarily pending further exploration work or permanently should the project no proceed to mine development;

“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*;

“Bulk Fuel Storage Facility” means the fuel storage facility as described in the Application, supporting documents and the updated edition of the 2014 Nanuq North Spill Contingency Plan;

“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);

“ICP Scan” means the laboratory method for determining trace metals in water through Emission Spectroscopy using inductively coupled plasma (including from approximately 22 to 32 elements, depending on the laboratory performing the analysis);

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

“Licensee” means the holder of this Licence;

“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;

“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;

“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. quantity of water (in cubic metres/day) obtained for domestic and other purposes from sources on, in or flowing through Inuit-owned lands for the reporting period;
 - c. quantity of water (in cubic metres/day) obtained for domestic and other purposes from sources on, in or flowing through Crown Lands reporting period;
 - d. quantity of waste backhauled to approved facility for disposal;
 - e. a list of unauthorized discharges and a summary of follow-up actions taken;
 - f. any revisions to the Spill Contingency Plan, Abandonment and Restoration Plan, and any other Plans as required by Part B, Item 7, submitted in the form of an Addendum;
 - g. a description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - h. report all artesian flow occurrences as required under Part F, Item 3;
 - i. a summary of all information requested and results of the Monitoring Program; and
 - j. 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@nwb-oen.ca
 - 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*.
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 all water for domestic camp use from the unnamed lake centered at 65⁰ 23' 34" N and 91⁰ 12' 20" W. Total camp water use shall not exceed eight (8) 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 fifty (50) cubic metres per day.
2. The volume of water for the purposes of this Licence shall not exceed fifty eight (58) cubic metres per day.
3. The use of water from streams or any water bodies not identified in Part C, Item 1, is prohibited unless authorized and approved by the Board in writing.
4. The Licensee shall submit to the Board for approval in writing, at least thirty (30) days prior to the use of water of a sufficient volume that the source water body may be drawn down, the following information: volume required, hydrological overview of the water body, details of impacts, and proposed mitigation measures.
5. 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.
6. The Licensee shall not remove any material from below the ordinary High Water Mark of any water body unless authorized.
7. The Licensee shall not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
8. Sediment and erosion control measures shall be implemented prior to and maintained during the undertaking to prevent entry of sediment into water.
9. The Licensee shall maintain the Water Supply Facilities to the satisfaction of the Inspector.

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 Nanuq North 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, chemical, portable, composting toilets or backhauling to an approved facility. Any remaining residue generated through the course of the operation shall be backhauled and disposed of in an approved waste disposal facility.
10. Latrine pits shall be located at a distance of at least thirty one (31) metres 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 adjacent 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 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 (CaCl_2) in any quantity or concentration, from land-based and on-ice 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.
4. Drilling additives or mud shall not be used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be non-toxic.
5. For “on-ice” drilling where drill additives are not being used, return water released must be nontoxic, and not result in an increase in total suspended solids in the immediate receiving waters, above the Canadian Council of Ministers for the Environment, Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).
6. The Licensee shall establish water quality conditions prior to and upon completion of any drilling program through lake ice.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

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 Nanuq North Project” dated August 15, 2014 that was submitted as additional information with the Application.
2. The Licensee shall submit for Board approval, within thirty (30) days following issuance of the Licence, an addendum to the Plan referred to in Part H, Item 1, prepared in the format set out by the Consolidation of Spill Contingency Planning and Reporting Regulations R-068-93, addressing the following issues:
 - a. the applicable period of the Plan;
 - b. include an inventory of fuel and chemicals stored at site;
 - c. provide name, title and 24 hr. contact number of the spill response team leaders;
 - d. include site map of the project area showing all components of the undertaking, of suitable scale to indicate any sensitive Waters subject potential impacts from the undertaking;

- e. the data contained in Table 2 of submitted Spill Contingency Plan (Table entitled “Projected Fuel and Oil Use for 2013/2014 Exploration Activities”) shall be updated to reflect 2015 Exploration Activities;
 - f. include a detailed description of the secondary containment systems that will be employed to prevent any spills of petroleum hydrocarbons;
 - g. include contact information of Nunavut Water Board (867) 360-6338.
- 3. The Licensee shall review the Plan referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report.
 - 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. Fuel drums shall be inspected daily for seepage.
 - 7. Fuel containers, including barrels, should be marked with the responsible party’s name, product type and year purchased or filled.
 - 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 Nanuq North Project” dated October 15 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, addressing the following:
 - a. include a Table of Contents (Index);
 - b. applicable period of the Plan;
 - c. any regulatory instrument in place (i.e. land use);
 - d. include seasonal abandonment and final abandonment timeframes;
 - e. describe infrastructure built/ to be built in support of the Project, types, materials and locations;
 - f. the creation of an inventory of chemicals and reagents, petroleum products and other hazardous waste materials before seasonal shutdown;
 - g. the creation of a registry where the records of fluid levels in all fuel tanks regularly, during camp activity and before seasonal shutdown are preserved.
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. 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 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. The Licensee shall obtain representative samples of the water column below any ice where required under Part F, Item 5 and 6. Monitoring shall include but not be limited to the following:

Total Suspended Solids

pH,

Electrical Conductivity,

Total Trace Metals as determined by a standard ICP Scan (to include at a minimum, the following elements: Al, Sb, Ba, Be, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn),

and trace arsenic and mercury

5. 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.
6. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
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.