

File No.: 2BE-PBP1520/TR/B2

March 9, 2016

Dwayne Car, VP of Exploration Northquest Ltd. Suite 101 – 50 Richmond Street East Toronto, Ontario M5C 1N7

Email: <u>dwayne.car777@gmail.com</u>

Subject: Licence No. 2BE-PBP1520 – Submission of 2015 Annual Report for the

Pistol Bay Project

Dear Mr. Car:

The Nunavut Water Board (NWB or Board) has completed its review of the 2015 Annual Report (Report) submitted on February 15, 2016 by Northquest Ltd. to fulfill relevant requirements contained in the water licence issued to the Pistol Bay Project (Project), an exploration project located approximately 20 kilometres from the Hamlet of Whale Cove in the Kivalliq Region of Nunavut.

The review determined that the Report is generally complete and consistent with the reporting requirements under Part B, Item 2 of Licence No. 2BE-PBP1520. The Board notes that details contained in the Report indicate that some of the waste generated by the project have been or will be backhauled to the Hamlet of Whale Cove and/or the Hamlet of Arviat for disposal/use. The Licensee is reminded that in accordance with Part D, Item 5 of the Licence, documented authorizations from communities in Nunavut receiving waste from the Project must be submitted to the Board for review prior to backhauling waste to such communities.

Apart from the above, the Licensee is advised that it is required to submit to the Board for review and acceptance revised copies of the Spill Contingency Plan and Abandonment and Restoration Plan for the project in accordance with conditions included under Part H, Item 2 and Part I, Item 2 of the licence, respectively.

Copies of the above-mentioned report, which was distributed on March 2, 2016, as well as all other documents submitted in support of the Licence, can be accessed through the NWB's Public Registry and ftp site using the following link:

ftp://ftp.nwb-

oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/2%20MINING%20MILLING/2B/2BE%20-%20Exploration/2BE-

PBP1520%20Norquest/3%20TECH/1%20GENERAL%20(B)/2%20ANNUAL%20RPT/

If you have any questions related to the above, please contact the NWB's Licensing Department at (867) 360-6368 or by email to licensing@nwb-oen.ca.

Regards,

Original signed by:

(for) Sean Joseph Technical Advisor

Cc: Kivalliq Distribution List