



P.O. Box 119  
GJOA HAVEN, NU X0B 1J0  
TEL: (867) 360-6338  
FAX: (867) 360-6369

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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYIT  
OFFICE DES EAUX DU NUNAVUT

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File No.: **2BE-QIL1217**

November 29, 2012

Nicole Westcott  
Manager of Community and Regulatory Affairs  
Stornoway Diamond Corporation  
Unit 116-980 West 1<sup>st</sup> Street  
North Vancouver, BC V7P 3N4  
E-mail: [nwestcott@stornowaydiamonds.com](mailto:nwestcott@stornowaydiamonds.com)

**RE: NWB Renewal Licence No. 2BE-QIL1217**

Dear Ms. Westcott,

Please find attached Licence No. 2BE-QIL1217 issued to Stornoway Diamond Corporation 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.<sup>1</sup>

Sincerely,



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Thomas Kabloona  
Nunavut Water Board  
Chair

TK/kk/pb

Enclosure: Licence No. 2BE-QIL1217  
Comments – AANDC, EC

Cc: Kivalliq Distribution List

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<sup>1</sup> Aboriginal Affairs and Northern Development Canada (AANDC), August 20, 2012; and Environment Canada (EC), August 20, 2012.

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## DECISION

### LICENCE NUMBER: 2BE-QIL1217

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated March 20, 2012 for a renewal of Water Licence made by:

### STORNOWAY DIAMOND CORPORATION

to allow for the use of water and disposal of waste during activities related to exploration that include bulk sampling with trenching at the Qilalugaq Project located within the Kivalliq Region, Nunavut generally located at the geographical coordinates as follows:

Latitude: 86° 07' 16.7"N      Longitude: 66° 35' 32.7"W (Bulk Sample/Trenching)

## DECISION

After having been satisfied that the application was in conformity with the Keewatin Regional Land Use Plan (KRLUP)<sup>1</sup> and subject to a 12.4.4(a) Screening Decision by the Nunavut Impact Review Board<sup>2</sup> 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-QIL0712 be renewed as Licence No. 2BE-QIL1217 subject to the terms and conditions contained therein. (Motion #: 2012-B1-010)**

Signed this 28<sup>th</sup> day of November 2012 at Gjoa Haven, NU.



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Thomas Kabloona  
Nunavut Water Board  
Chair

TK/kk/pb

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<sup>1</sup> NPC Conformity Determination dated March 21, 2012.

<sup>2</sup> NIRB Screening Decision dated May 4, 2012.

## BACKGROUND

The Qilalugaq Property Project, which is located near Repulse Bay, has undergone several phases of exploration since its acquisition by BHP Billiton in 2001. Some of those activities include airborne geophysics, till sampling, and diamond drilling. To further explore the mineral claims associated with the Qilalugaq property and to evaluate the economic potential of diamondiferous kimberlites already identified on the property, Stornoway Diamond Corporation entered into an option agreement with the BHP Billiton. Subsequent to that, on November 8, 2006, the proponent applied to the Nunavut Water Board (NWB or Board) for a water licence for the project.

On February 19, 2007 the NWB issued Licence **2BE-QIL0712**, which expired on March 31, 2012 to Stornoway Diamond Corporation (Stornoway or Licensee) to allow for the use of water (20 m<sup>3</sup> per day) and the disposal of waste for an undertaking classified as Mining and Milling as per Schedule II of the *Regulations*. As part of the undertaking, exploration drilling operations were allowed within the Qilalugaq Project area, located approximately 10 kilometres northeast of Repulse Bay within the Kivalliq Region, Nunavut.

The Licensee has submitted a renewal application, which includes as part of the scope, a bulk sampling program that will aid in properly characterizing the diamond population and provide a preliminary estimate of diamond value of the kimberlitic body. Approximately 1,500 tonnes of material will be extracted by trenching method from the Q1-4 Kimberlite Complex.

The proposed activities will be conducted in the summer of 2013 and last for approximately 6 weeks. The material sample will be obtained using a small, helicopter portable Kubota (or similar style) tracked mini-excavator, which will deposit the rock into 1m<sup>3</sup> polypropylene mega bags. The filled mega bags will be slung by helicopter back to an area in the Hamlet in preparation for shipment south, via barge, to a processing facility.

Due to the proximity of the project area to the Hamlet of Repulse Bay, camp facilities will not be required. The personnel associated with the project will be accommodated at housing facilities based within the Hamlet.

The Licensee states that the execution of this bulk sampling program is subject to several variables because certain logistics cannot be finalized until much closer to the actual commencement of the proposed program including the fuel storage method. The preferred fuel management plan would involve purchasing Jet-B fuel for the helicopter from the airport bulk fuel tanks and have the fuel be delivered by trucks if possible. If this service is not available, then drummed fuel will be purchased and either stored at a pre-determined location in Repulse Bay (Scenario 1) or in a temporary storage berm at the bulk sampling location (Scenario 2).

No water is required to conduct the proposed bulk sampling program.

## PROCEDURAL HISTORY

On March 20, 2012, the Licensee submitted to the Nunavut Water Board a water licence application for renewal and amendment of Licence 2BE-QIL0712. Following a preliminary

technical review and the submission by Licensee of additional information, the NWB distributed the application to interested parties for review on July 20, 2012.

The NWB received comments on the application from Aboriginal Affairs and Northern Development Canada (AANDC) and Environment Canada (EC) by August 20, 2012, the deadline for submissions. In response to comments and requested for clarifications from interveners, the Licensee submitted additional information on November 21 and 22, 2012.

Apart from the submissions received from interveners, the NWB received a positive Land Use Plan Conformity Determination from the Nunavut Planning Commission (NPC) on March 21, 2012 and the Screening Decision Report from the Nunavut Impact Review Board's (NIRB) on May 4, 2012.

Based on the results of the detailed assessment, including consideration of any potential accidents, malfunctions, or impacts to water that the overall project could have on the area, the Board has approved the application for the renewal of Licence No. 2BE-QIL0712, with amendment to the scope of activities involved.

## ISSUES

### Term of Licence

The clarification to the renewal application submitted to the NWB on June 21, 2012, indicates that "the scheduling has been revised and the earliest that the work described in the application could start is July 2013". The Licensee state that this date is a projection and is subject to change due to a number of factors. Therefore the Licensee is requesting that the term of renewal license be for a period of 5 years and with an expiration date of September 30, 2017. In review of the application and the submissions received from interested parties, there were no comments provided or concerns raised with respect to the Licensee's request for a licence term of five (5) years. The NWB has renewed the Licence for five (5) years.

### Annual Report

The requirement to produce Annual Reports is to ensure that the NWB has an accurate and timely annual update of waste disposal activities for a given project during a calendar year. This information is maintained on the Public Registry and is available to interested parties upon request.

### Water Use

No water was requested by the Licensee for the completion of bulk sample program.

### Waste Disposal

It is generally recommended that disposal locations for drilling/trenching wastes, be located at a minimum distance of thirty (31) metres from any water body and such that there is no adverse effects to the quality, quantity and flow of water.

EC states that *under the Canadian Environment Protection Act (CEPA 1999) and the Interprovincial Movement of Hazardous Wastes Regulations, the transportation of hazardous waste between territories requires that the proponent completes movement document. The*

*Government of Nunavut regulates waste in Nunavut and an approved movement document must be completed if hazardous waste is transported out of Nunavut for disposal.*

The Licensee must ensure that all extracted rock is removed from the area and therefore no rock stockpiles are created.

#### Trenching

It is generally recommended by Board that the trenching activities be conducted at a distance of at least thirty one (31) metres of the high water mark of any water body. Also, the Licensee shall not remove material from the trenches beyond a depth of one (1) metre above the high water mark of the groundwater table so as to prevent the contamination of groundwater sources.

The NWB has set criteria that water derived from trenching activities must meet before its being discharged into the environment in the Part D, Item 12. Parameters to be tested for are listed in the Part J, Item 3 of the Licence.

#### Spill Contingency Plan

The Spill Contingency Plan submitted with the application is generally acceptable and has been approved. The NWB would like to highlight the comments provided by AANDC including the requirement to include *a schematic of the location of the temporary secondary containment structure including topography, nearby water bodies, etc. should scenario 2 (fuel stored on site) be selected and to provide a more detailed map with locations for spill kit(s), fuel storage, helicopter landing site(s), or potential sensitive areas (water, archaeological sites, traditionally used sites, etc.).*

The Licensee is to update the Plan with an addendum, with consideration given to the comments provided by AANDC during the review of the application, and submit the addendum to the Board within a maximum of 14 days following the mobilization of fuel and equipment to the project area.

#### Abandonment and Restoration

The Abandonment and Restoration Plan submitted with the application is generally acceptable and has been approved.

#### Monitoring

Any water collected in the trenches shall be analyzed for the parameters listed in the Part J, Item 3 of the Licence prior to being discharge. The results of the monitoring program outlined in Part J are to be included in the Annual Report.



## NUNAVUT WATER BOARD WATER LICENCE RENEWAL

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Licence No. 2BE-QIL1217

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

**STORNOWAY DIAMOND CORPORATION**

(Licensee)

**UNIT 116-980 WEST 1<sup>ST</sup> STREET NORTH VANCOUVER, BC V7P 3N4**

(Mailing Address)

hereinafter 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-QIL1217 TYPE "B"**

Water Management Area: **NUNAVUT 06**

Location: **QILALUGAQ PROJECT  
KIVALLIQ REGION, NUNAVUT**

Classification: **MINING AND MILLING UNDERTAKING**

Purpose: **DEPOSIT OF WASTE**

Quantity of Water use not  
to Exceed: **NO WATER USE AUTHORIZED UNDER THE LICENCE**

Date of Licence Issuance: **NOVEMBER 28, 2012**

Expiry of Licence: **NOVEMBER 30, 2017**

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 disposal of waste for a Mining and Milling undertaking classified as per Schedule II of the *Regulations* at the Qilalugaq Project, located approximately 10 kilometres northeast of Repulse Bay 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**

**“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 and supporting documents submitted on March 20, 2012;

**“Bulk Sample Program”** means the activities described in the water licence renewal application dated March 20, 2012;

**“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;

**“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 *Northwest Territories Water Regulations sor/93-303 8th June, 1993*, omitting Section 5, Water Use or Waste Deposit Without a Licence;

**“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;

**“Trench Water Containment”** means the lined sump or sumps, poly tank or other means of containment for water that has collected within the blasted/excavated trench(s) and subsequently removed for disposal upon confirmation of water quality.

**“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.

### 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 Licensee shall file an Annual Report on the Appurtenant Undertaking with the Board no later than March 31<sup>st</sup> of the year following the calendar year being reported, containing the following information:
  - a. A summary report of 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. A summary of all information requested and results of the Monitoring Program; Any other details on waste disposal requested by the Board by November 1 of the year being reported; and
  - f. Summary of public consultations carried out in affected communities.
2. 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.
3. 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.

4. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
5. 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 are to be submitted in the form of an Addendum to be included with the Annual Report.
6. 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.
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:

**(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](mailto:licensing@nunavutwaterboard.org)

**(b) Inspector Contact:**

Manager of Field Operations, INAC  
Nunavut District, Nunavut Region  
P.O. Box 100  
Iqaluit, NU X0A 0H0  
Telephone: (867) 975-4295  
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 (and/or Inuinnaqtun).
9. 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.
10. This Licence is assignable as provided for in Section 44 of the *Act*.

**PART C:      CONDITIONS APPLYING TO WATER USE**

1. No water use is authorized under the conditions of this Licence
2. The Licensee shall not remove any material from below the ordinary high water mark of any water body unless authorized.
3. The Licensee shall not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
4. 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 Qilalugaq 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 ensure that all extracted rock is removed from the project area and no rock stockpiles are created.

9. The Licensee shall direct all Water accumulated in blasted or excavated trenches to a Trench Water Containment to allow for sampling prior to release. Water collected in hand-dug trenches shall be directed to a natural depression sump, as required by Part D, Item 1.
10. The Licensee shall provide at least ten (10) days notification to an Inspector, prior to initiating the release of effluent from the Trench Water Containment. The notice shall include water quality results, an estimate of volume and the proposed receiving location.
11. All effluent discharge from the Trench Water Containment Area shall be carried out in accordance with Part D, Item 1, directed to a natural depression where direct flow into a water body is not possible and no additional impacts are created. All discharges shall not exceed the following effluent quality limits:

Parameter	Maximum Average Concentration (mg/L)
Total Arsenic	0.50
Total Copper	0.30
Total Lead	0.20
Total Nickel	0.50
Total Zinc	0.50
Total Suspended Solids	25.0
Oil and Grease	no visible sheen
The Waste discharged shall have a pH of	between 6 and 9.5

12. The Licensee shall confirm compliance with effluent quality limits in Part D, Item 11, prior to the release of any effluent.

**PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS**

1. No camp activities are authorized under the provisions of this Licence.
2. The Proponent shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles must be suspended if rutting occurs.
3. 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.
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 at 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.

**PART F: CONDITIONS APPLYING TO TRENCHING OPERATIONS**

1. The Licensee is not authorized to drill under the provisions of this Licence.
2. The Licensee shall not conduct any trenching activities within thirty one (31) metres of the ordinary high water mark of any water body, unless otherwise approved by the Board in writing.
3. The Licensee shall ensure that removal of material from trenches take place within one metre of the high water mark above the groundwater table.
4. The Licensee shall dispose of all bulk sampling waste rock 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. The Licensee shall implement sediment and erosion control measures by employing erosion prevention measures (e.g., berms or silt fence) in the trenching area during the project operation.
6. The Licensee shall stockpile all overburden/topsoil generated during trenching using proper erosion prevention measures. Upon completion of operation, the Proponent shall back fill, reclaim/re-contour and re-vegetate all disturbed areas.
7. The Licensee shall pump accumulated water in trenches to a natural depression sump, and build berms where necessary. Water should meet the discharge criteria as outlined by Part D, Item 12 before being discharged into the environment.
8. The Licensee shall, during trenching activities utilizing blasting, provide mitigation measures to prevent the transport of blast rock, explosives residues, sediment and other materials from entering water as required by Part E, Item 4.

**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 “Stornoway Diamond Corporation Spill Contingency Plan The Qilalugaq Project, Nunavut” dated July 1, 2012 that was submitted as additional information with the Application.
2. The Licensee shall within a maximum of fourteen (14) days following the mobilization of fuel and equipment to the project area submit to the Board an Addendum to the Plan referred to in Part H, Item 1, in the format set out by the Consolidation of Spill Contingency Planning and Reporting Regulations R-068-93 addressing the AANDC concerns expressed during review period.
3. 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.
4. The Licensee shall ensure that any equipment maintenance and servicing be conducted only 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.
5. 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.



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

1. The Board has approved the Plan entitled “Stornoway Diamond Corporation Abandonment and Restoration Plan the Qilalugaq Project Nunavut” dated July 1, 2012 that was submitted as additional information with the Application.
2. The Licensee shall complete all restoration work prior to the expiry of this Licence.
3. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee’s operations.
4. The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.
5. 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.
6. All roads and airstrip, if any, shall be re-graded to match natural contour to reduce erosion.
7. The Licensee shall remove any culverts and restore the drainage to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.
8. 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.
9. 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.
10. The Proponent shall stockpile all overburden/topsoil generated during trenching using proper erosion prevention measures. Upon completion of operation, the Proponent shall back fill, reclaim/re-contour and re-vegetate all disturbed areas. Erosion prevention measures shall be consistent with Part C, Item 7.
11. The Licensee shall restore all trenches prior to the closure of seasonal exploration programs and removal of equipment from site. Trenches are to be in-filled and covered with stockpiled overburden materials and re-contoured to the natural terrain, providing

drainage away from nearby watercourses.

**PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM**

1. The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with trenching operations are deposited.
2. Any water collected in the trenches shall be tested prior to discharge and analyzed for the following:  
  
Total Suspended Solids  
pH  
Total Trace Metals as determined by a standard ICP Scan (to include at a minimum, the following elements: Cd, Cr, Co, Cu, Fe, Pb, Mn, Ni, Zn), and  
Trace Arsenic and Mercury.
3. 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.
4. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
5. The Licensee shall include in the Annual Report required under Part B, Item 2 all data, monitoring results and information required by this Part.