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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No: **2BE-QIL2328**

February 22, 2023

Mike MacMorran
North Arrow Minerals Inc.
Suite 960 – 789 West Pender St.
Vancouver, B.C., V6C 1H2

Email: mmacmorran@northarrowminerals.com

RE: NWB Replacement Water Licence No: 2BE-QIL2328

Dear Mike MacMorran:

Please find attached Water Licence No: **2BE-QIL2328** issued to North Arrow Minerals Inc. by the Nunavut Water Board (NWB or Board) 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 Agreement)*. The terms and conditions of the attached Licence related to the use of Water and the deposit of Waste are an integral part of this approval.

If the Licensee contemplates the continuing of this Undertaking after the Water Licence expires, it is the responsibility of the Licensee to apply to the NWB for a renewal water licence. 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 renewal Water Licence. Note that if the Licence expires before the NWB issues a new one, then the use of Water and the deposit of Waste must cease, or the Licensee may be in contravention of the *Nunavut Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA or 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.

It should be noted that in accordance with s. 75(1)(a) of the *Nunavut Planning and Project Assessment Act (NuPPAA)*, the Board is not allowed to issue a permit or authorization for any project proposal that has not been submitted to the Nunavut Planning Commission (NPC) in accordance with s. 76 of *NuPPAA*.

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 application 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.

Sincerely,

Lootie Toomasie
Nunavut Water Board,
Chair

LT/ak/rh

Enclosure: Replacement Licence No: **2BE-QIL2328**

Cc: Distribution List—Kivalliq

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DECISION

LICENCE NUMBER: 2BE-QIL2328

This is the decision of the Nunavut Water Board (NWB or Board) with respect to an application dated December 12, 2022 for a renewal of a Water Licence made by:

NORTH ARROW MINERALS INC.

to allow for the use of Water and the deposit of Waste during prospecting, geological mapping, geophysical survey, diamond and reverse circulation drilling on land and on ice, bulk sampling, and trenching at the Naujaat Project, located within the Kivalliq Region, Nunavut, generally located at the geographical coordinates as follows:

Project Extents:

Latitude: 66° 35' 38" N	Longitude: 86° 07' 02" W
Latitude: 66° 35' 38" N	Longitude: 86° 07' 50" W
Latitude: 66° 35' 22" N	Longitude: 86° 07' 50" W
Latitude: 66° 35' 22" N	Longitude: 86° 07' 02" W

DECISION

After having been satisfied that the Application is for a proposal that was previously reviewed by the Nunavut Planning Commission (NPC), and for which the conformity determinations, dated March 21, 2012, February 27, 2015, and April 11, 2017, remain applicable and is exempt from the requirements for screening as described within s. 12.4.3 / Schedule 12-1 of the *Nunavut Agreement* as determined by the NPC¹, the NWB decided that the Application could proceed through the regulatory process. In accordance with s. 55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA or Act) and Article 13 of the *Nunavut Agreement*, 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 *Nunavut Agreement* and of the Act, waived the requirement to hold a public hearing, and determined that:

Replacement Licence No: 2BE-QIL2328 be issued subject to the terms and conditions contained therein. (Motion #: 2022-B1-020)

Signed this 22nd day of February, 2023 at Gjoa Haven, NU.

Lootie Toomasie
Nunavut Water Board,
Chair
LT/ak/rh

¹ Nunavut Planning Commission, Conformity Determination, December 14, 2022.

WATER LICENCE No: 2BE-QIL2328

I. BACKGROUND

The water licence renewal application (Application) being considered by the Nunavut Water Board (NWB or Board) was filed by North Arrow Minerals Inc. (the Applicant, Licensee or North Arrow) on December 12, 2022 to seek renewal of Type “B” Water Licence No: 2BE-QIL1722 resulting in the issuance of Water Licence No: 2BE-QIL2328 (Licence) for the Naujaat Project (Project).

II. FILE PROCEDURAL HISTORY

The Board granted a number of water licences for the Project in the past as listed below:

Water Licence No:	Licensee
2BE-QIL0712	Stornoway Diamond Corporation
2BE-QIL1217	Stornoway Diamond Corporation
2BE-QIL1217 Amendment No.1	Stornoway Diamond Corporation
2BE-QIL1217 Assignment	North Arrow Minerals Inc.
2BE-QIL1722	North Arrow Minerals Inc.

The Project is located approximately 10 kilometres northeast of the Hamlet of Naujaat. North Arrow plans to continue with exploration diamond drilling and bulk sampling with the crew accommodations located at the Hamlet of Naujaat.

The previous Type “B” Water Licence No: 2BE-QIL1722 was issued on December 1, 2017 to North Arrow Inc. for a Mining undertaking comprising exploration drilling and bulk sampling. The Board set a five-year licence term resulting in the licence expiring on November 30, 2022.

On December 14, 2022, the Nunavut Planning Commission (NPC) confirmed that, as determined by the NPC on June 20, 2017, that the conformity determinations, previously issued on March 21, 2012, February 27, 2015, and April 11, 2017, remain applicable, and the Project proposal is exempt from the requirements for screening by the Nunavut Impact Review Board (NIRB).

On December 12, 2022, a licence renewal application (Application) was received by the NWB, requesting that the licence be renewed again for a five-year term. The Board distributed the Application for public review on January 3, 2023, once the Board received the conformity determination from the NPC. Crown-Indigenous Relations and Northern Affairs (CIRNA) and Environment and Climate Change Canada (ECCCC) indicated² that they had no comments on the Application.

The NWB has placed in its Public Registry copies of the Application and all comments received from Interveners. This information can be accessed on the NWB’s FTP site using the following link:

<ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BE%20-%20Exploration/2BE-QIL2328%20North%20Arrow%20Minerals%20Inc/1%20APPLICATION/2022%20Renewal>

² Crown-Indigenous Relations and Northern Affairs, dated January 27, 2023; Environment and Climate Change Canada, dated January 17, 2023.

III. GENERAL CONSIDERATIONS

In accordance with the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA or Act)* s. 45, the NWB may issue a licence for a term not exceeding twenty-five years. The Applicant requested a five-year term for this Licence, and the NWB satisfied the request.

Scope, Definitions and Enforcement

Scope

The scope of the Licence is the use of water and the deposit of waste in support of activities related to exploration that include prospecting, geological mapping, geophysical survey, diamond and reverse circulation drilling on land and on ice, bulk sampling, and trenching at the Naujaat Project.

Enforcement

To ensure that the Licensee complies with the terms and conditions of the Licence, Inspectors designated and empowered by the Minister of Northern Affairs (Minister) may inspect or examine works, activities, and undertakings associated with the use of waters and/or the deposit of waste for the purposes of exercising their powers in accordance with the *NWNSRTA*.³

Compliance

North Arrow should note that compliance with the terms and conditions of this Licence does not necessarily absolve the Licensee from the responsibility to comply with all other applicable legislation, guidelines, and directives.

General Conditions

Part B of the Licence addresses the general terms and conditions that apply to the Undertaking, such as annual report submission, protocols for handling documents related to the Licence, posting of signage at sites associated with the Undertaking, and more.

Conditions Applying to Water Use

Licence No: 2BE-QIL1722 allowed for total Water use of one hundred (100) cubic metres per day, all of which were dedicated to drilling purposes. The Applicant requested that the permitted water withdrawal rate remain the same.

Conditions Applying to Waste Disposal

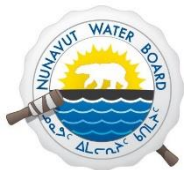
Licence No: 2BE-QIL1722 imposed Effluent quality limits on discharge from Trench Water Containment, which the NWB retained in this Licence.

Conditions Applying to Spill Contingency Planning

In previous Licence No: 2BE-QIL1722, the Board required North Arrow to submit an updated Spill Contingency Plan to include the geographical coordinates of the main Fuel Cache located

³ Sections 85-88 of the *NWNSRTA*.

in Naujaat and include the 24-Hour Northwest Territories – Nunavut Spill Report Line and clarify that ECCC will be involved when its involvement is required by a lead agency. On July 3, 2019, the Board issued correspondence confirming that the revised *Spill Contingency Plan*, dated April 11, 2017 and submitted on December 20, 2018, addressed the requirements of Licence No: 2BE-QIL1722.



NUNAVUT WATER BOARD WATER LICENCE

Licence No: 2BE-QIL2328

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

NORTH ARROW MINERALS INC.

(Licensee)

SUITE 960 – 789 WEST PENDER STREET, VANCOUVER, B.C. V6C 1H2

(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 Replacement:

Licence Number/Type: **2BE-QIL2328 / TYPE “B”**

Water Management Area: **REPULSE BAY WATERSHED (18)**

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

Classification: **MINING UNDERTAKING**

Purpose: **DIRECT USE OF WATER AND DEPOSIT OF WASTE**

Quantity of Water use not to Exceed: **ONE HUNDRED (100) CUBIC METRES PER DAY FOR DRILLING PURPOSES**

Effective Date: **APRIL 1, 2023**

Expiry of Licence: **APRIL 1, 2028**

This Replacement Licence, issued and recorded at Gjoa Haven, Nunavut, includes and is subject to the annexed conditions.

Lootie Toomasie
Nunavut Water Board, Chair

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of Water and the deposit of Waste for a Mining undertaking classified as per Schedule 1 of the *Regulations* at the Naujaat Project, located approximately 10 kilometers northeast of the Hamlet of Naujaat 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 deposit 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;

“**Applicant**” means the Licensee;

“**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 Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

“**Bulk Sample Program**” means the activities described in the water licence renewal application dated December 12, 2022;

“Closure and Reclamation Plan” means a Plan developed to reach the closure goal and taking in account the “Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories” 2013;

“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 water body 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 Agreement” 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” means 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;

“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;

“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 for the right to the use of Water shall be paid annually 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 disposed of on on-site Waste disposal facility;
 - e. Quantity of Waste backhauled to approved facility for disposal;
 - f. A list of unauthorized discharges and a summary of follow-up actions taken;
 - g. Any revisions to the management plans, as required by Part B, Item 7, submitted in the form of an Addendum;
 - h. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - i. Report all artesian flow occurrences as required under Part F, Item 9;
 - j. A summary of all information requested and results of the Monitoring Program;
 - k. Details pertaining to locations of sump(s) and drill holes;
 - l. GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for the locations of all temporary camps established in support of the project if the actual coordinates differ from that provided in the application;
 - m. A summary, including photographic records before, during and after any relevant construction activities or Modifications and/or major maintenance work carried out on facilities under this Licence and an outline of any work anticipated for the next year;
 - n. Detailed discussion on the performance, installation, and evaluation, including the use of photographic record, of the primary and secondary containment functions used in fuel storage to safeguard impacts to freshwaters;
 - o. A summary of public consultation/participation, describing consultation with local organizations and residents of the nearby communities, if any were conducted;
 - p. Any other details on Water use or Waste disposal requested by the Board by the 1st November 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, CIRNAC
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4284
Fax: (867) 979-6445
10. The Licensee shall submit an 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 all documents or correspondence submitted by the Licensee to the NWB are 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 drilling purposes from local Water source(s), proximal to the drilling targets as outlined in the Application, up to a maximum of one hundred (100) cubic metres per day. The volume of Water for all purposes authorized

under this Licence shall not exceed one hundred (100) cubic metres per day.

2. The withdrawal of Water from any stream shall not exceed ten (10) per cent of the low flow of that stream unless approved by the Board in writing.
3. Where the use of Water is of a sufficient volume that the source water body may be drawn down, the Licensee shall submit, for approval of the Board in writing, the following information: the volume required, a hydrological overview of the water body, details of impacts, and proposed mitigation measures.
4. The Licensee shall submit to the Board for approval in writing, the following information at least thirty (30) days prior to the use of Water of a sufficient volume that the source water body may be drawn down: 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 conduct any work below the ordinary High Water Mark of any water body unless approved by the Board in writing.
7. The Licensee shall not cause erosion to the banks of any water body 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.

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 Naujaat 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 left at site.
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 condition under Part D, Item 1.
10. The Licensee shall provide at least a 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	0.30
Total Copper	0.30
Total Lead	0.20
Total Nickel	0.50
Total Zinc	0.50
Total Suspended Solids (TSS)	15
Oil and Grease	No Visible Sheen
pH	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.
13. All effluent shall be discharged in such a manner to minimize surface erosion.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

1. No camp activities are authorized under the provisions of this Licence.
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. Stream crossing shall be a minimum of five hundred (500) meters from spawning areas.
5. 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.
6. 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 AND TRENCHING 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 ensure that removal of material from trenches take place within one (1) metre of the High Water Mark above the groundwater table.
3. 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.
4. 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.
5. The Licensee shall stockpile all overburden/topsoil generated during trenching using proper erosion prevention measures. Upon completion of operation, the Licensee shall back fill, reclaim/re-contour and re-vegetate all disturbed areas.

6. 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.
7. 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 condition under Part E, Item 5.
8. 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.
9. 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.
10. 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.
11. For “on-ice” drilling where drill additives are not being used, return Water released must be non-toxic, 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).
12. 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

- e. more than sixty (60) days; and
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 Licensee shall implement the Plan entitled “Spill Contingency Plan” dated April 11, 2017 that was originally approved by the Board.
- 2. 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.
- 3. 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.
- 4. 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 NWT/NU 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.
- 5. The Licensee shall, in addition to Part H, Item 4, regardless of the quantity of releases of harmful substances, report to the NWT/NU 24-Hour Spill Line if the release is near or into a water body.

PART I: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION OR TEMPORARY CLOSURE

- 1. The Licensee shall implement the Plan entitled “Abandonment and Restoration Plan Naujaat Project, Naujaat NU” dated April 11, 2017 that was originally approved by the Board. .

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 intakes, pumps and lines, material and equipment prior to the expiry of this Licence.
6. All roads and airstrips, if any, shall be re-graded to reduce erosion and sedimentation to Water.
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 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 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. Where drill casings cannot be removed the Licensee shall cut off the casings at ground level and identify with signage.
11. The Licensee may leave the casings on site, if it intends to continue drilling in existing casings, but shall add signaling to keep the area safe for the other territory users. The drill casings left cannot stay on the field for more than 2 years after the drilling.
12. The Licensee may store drill core 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 reduce erosion and

sedimentation to Water, upon completion of work upon completion of the undertaking and as per Part I, Item 3.

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. 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.
5. The Licensee shall obtain representative samples of the Water column below any ice where required under Part F, Items 11 and 12. Monitoring shall include but not be limited to the following:
6. 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
7. 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.
8. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
9. The Licensee shall include in the Annual Report required under Part B, Item 2 all data, monitoring results and information required by this Part.
10. An Inspector may impose additional monitoring requirements.