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Date: April 30, 2020

To: Richard Dwyer

Manager of Licensing Nunavut Water Board

P.O. Box 119

Gjoa Haven, NU, X0B 1J0

Tel: 867-360-6338

Email: richard.dwyer@nwb-oen.ca

RE: Water Licence 2BE-STO1520 Compliance Assessment Status Report

Hello Mr. Dwyer,

Water Licence 2BE-STO1520, which was renewed and amended on June 2, 2015 and a Licence Assignment was granted on July 13, 2016, has undergone a compliance assessment on April 30, 2020. This report outlines the single non-compliant item identified. Please see the attached Aston Bay Water Licence Compliance Assessment for a complete list of items.

Water Licence 2BE-STO1520 Part F: Conditions Applying to Drilling Operations, Item 2 states:

The Licensee shall dispose of all drill waste, including water, chips, muds and salts (CaCl2) in any quantity or concentration, from land-based 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.

Non-Compliant Item: Upon the most recent inspection, July 25, 2018, it was determined the previous inspector and the licensee had agreed to deposit drill cuttings in porous boulder fields.

Proposed Remedial Action: Discontinue the practice of depositing drill cuttings into boulder fields and use sumps.

Aston Bay is committed to upholding exemplary environmental standards. The non-compliance was founded in direction from a previous inspector and will be remediated with the updated recommendations from the 2018 inspection.

Please do not hesitate to contact me with any questions, concerns or for additional information.

Sincerely,

Celine McEachern, B.Sc., G.I.T.

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