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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: 2BE-STO1520

June 2, 2015

Eric W. Norton
Commander Resources Ltd.
11th Floor, 1111 Melville Street
Vancouver, BC V6E 3V6

Robert L'Heureux
APEX Geoscience Ltd.
200 – 9797 45th Ave.
Edmonton, AB T6E 5V8

enorton@commanderresources.com

rlheureux@apexgeoscience.com

RE: NWB Licence No. 2BE-STO1520

Dear Mr. Norton and Mr. L'Heureux,

Please find attached Licence No. **2BE-STO1520** issued to Commander Resources 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 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.¹

Sincerely,

Draft

Thomas Kabloona
Nunavut Water Board
Chair

TK/kk/ri

Enclosure: Licence No. **2BE-STO1520**
Comments - AANDC

Cc: Qikiqtani Distribution List

¹ Aboriginal Affairs and Northern Development Canada (AANDC), April 10, 2015

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DECISION

LICENCE NUMBER: 2BE-STO1520

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated February 23, 2015 for an amendment / renewal of a Water Licence made by:

COMMANDER RESOURCES LTD.

to allow for the use of water and disposal of waste during camp operations and activities related to exploration that include prospecting, geological mapping, ground geophysical surveys, diamond drilling etc. at the Aston Bay Project located within the Qikiqtani Region, Nunavut generally located at the geographical coordinates as follows:

Project Extents

| | | |
|-----|--------------------------|---------------------------|
| NW: | Latitude: 73° 52' 30'' N | Longitude: 95° 30' 00'' W |
| NE: | Latitude: 73° 52' 30'' N | Longitude: 93° 30' 00'' W |
| SE: | Latitude: 73° 30' 00'' N | Longitude: 95° 30' 00'' W |
| SW: | Latitude: 73° 30' 00'' N | Longitude: 95° 30' 00'' W |

Camp Location(s)

| | |
|--------------------------|--|
| Latitude: 73° 39' 20'' N | Longitude: 94° 27' 34'' W (New camp) |
| Latitude: 73° 42' 30'' N | Longitude: 94° 43' 15'' W (Current camp) |

DECISION

After having been satisfied that the application was in conformity with the North Baffin Regional Land Use Plan¹ and exempt from the requirement for screening as described within Section 12.4.3 by the Nunavut Impact Review Board² in accordance with Article 12 of the *Nunavut Land Claim Agreement (NLCA)*, with activities therein remaining subject to the terms and conditions recommended in May 13, 2010 Screening Decision Report No. 10EN013, 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. 3BE-STO1015 be renewed as Licence No. 2BE-STO1520 subject to the terms and conditions contained therein. (Motion #: 2015-B1-012)

1 NPC Confirmation to NIRB dated March 12, 2015

2 NIRB Confirmation dated March 26, 2015.

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

DRAFT

Thomas Kabloona
Nunavut Water Board
Chair

TK/kk

I. BACKGROUND

The Aston Bay Property (the “Property,” formerly known as the Storm Property) is located east of Aston Bay on northwestern Somerset Island, approximately 112 km south of the community of Resolute Bay and about 1,500 km northwest of Iqaluit.

Exploration work in the area around the Property has been carried out intermittently since the 1960’s. Most of the historical work at the Property was undertaken by or on behalf of Cominco Ltd. (“Cominco”), Noranda Inc. (now Glencore Xstrata plc) and later Teck-Cominco Ltd. (now known as Teck Resources Ltd.).

Commander Resources Ltd. (Commander) initially acquired the Prospecting Permits in February 2008, and in 2011, Aston Bay Holdings Ltd. (Aston Bay) entered into an Option Agreement with Commander for the Property.

The lands in the exploration area are Crown Lands in accordance with the Nunavut Land Claims Agreement (NLCA). In 2010, Commander acquired the initial Land Use Permit for the property from Aboriginal Affairs and Northern Development Canada (AANDC). After being granted with approvals by Nunavut Planning Commission (NPC) and Nunavut Impact Review Board (NIRB; 10EN013) Commander obtained from the Nunavut Water Board (NWB or Board) the Water Licence 2BE-STO1015 to support its exploration works.

The Applicant states that to present day, no drilling has been completed on the Property by Commander or Aston Bay. From 2011 to 2014, work performed on the Property has included: airborne geophysical survey, prospecting, rock sampling, soil sampling, re-sampling of historic diamond drill core and mineral claim staking.

The Licensee intends to continue the exploration program previously approved under Land Use Permit and Water Licence, which includes camp operations and exploration activities that includes prospecting, soil and rock sampling, geological mapping, ground geophysical surveys and diamond drilling. The 2015 exploration program is projected to start as early as June and continue until as late as September. Similar programs are anticipated for 3 to 4 subsequent years.

The proposed exploration programs will be helicopter supported and based out of a 10-12 person exploration camp. Personnel and cargo will be transported to and from camp by fixed wing (Twin Otter) from either Resolute Bay or Arctic Watch Lodge.

During the 2014 program, a new camp location was scouted due to the limitations of the airstrip located at the Aston Camp. A suitable new camp location is along the Aston River, from which camp water can be drawn. Structures for the proposed camp may include 6 sleeper tents, medical tent, kitchen, dry, office, shop, core shack, generator housing, incinerator, and 2 outhouses. According to the Licensee while the new camp is being constructed, the old camp will be used as an emergency backup and then subsequently removed, and the site remediated.

II. PROCEDURAL HISTORY AND CURRENT APPLICATION

On November 5, 2010, the Nunavut Water Board (NWB or Board) issued the Licence 2BE-STO1015 to Commander Resources Ltd. (Commander) to allow for the use of water (2m³ per day for domestic purposes and 15m³ for drilling purposes) and disposal of waste for camp operation and exploration, and related activities for the Storm Project. The Expiry date was set at July 31, 2010.

On September 28, 2012, the Licence was amended to include additional areas for the exploration program and to use new water sources for drilling purposes.

On February 23, 2015, the NWB received an application for the renewal/amendment (Application) of the Water Licence 2BE-STO1015. The following documents were included within the Application:

- Cover Letter: Amendment Request for Nunavut Water Board Licence 2BE-STO1015, February 17, 2015
- NWB Application for Water Licence Amendment, February 9, 2015
- Aston Bay Holdings Ltd. List of Company Officers (Section 22)
- Commander Resources Ltd. List of Officers and Directors, January 21, 2015
- Exploration Remote Camp Supplementary Questionnaire
- Photocopies of Cheques for Application and Water Use fees
- Commander Resources Ltd. Option Agreement on Storm Copper Property, November 23, 2011
- Commander Resources Ltd. Condensed Interim Financial Statements for the Nine Months ended September 30, 2014
- Waste Management Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015
- Certificate of Change of Name issued on May 3, 2002
- Authorization Letter: Aston Bay Holding Ltd. – Aston Bay Project, Somerset Island, NU, January 20, 2015
- Authorization Letter: Commander Resources Ltd. – Aston Bay Project, Somerset Island, NU, January 21, 2015
- NPC Conformity Determination Letter, April 23, 2010
- NPC Conformity Determination email letters, October 15, 2010 and September 21, 2012
- NIRB Screening Decision Report, May 31, 2010
- Non-Technical Summary for the Aston Bay Property in English and Inuktitut– Storm and Seal Prospects
- Fuel Management Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015
- Emergency Response Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015

- Spill Prevention and Response Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015
- Environmental Management Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015
- Abandonment and Restoration Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015
- Technical Report on the Exploration History and Current Status of the Storm Project, Somerset Island, Nunavut, October 31, 2012
- Figure 1: Aston Bay Property Location and Mineral Tenures
- Figure 2: 2015 Proposed Exploration
- Figure 3: Proposed New Camp Location and Layout

Following an internal preliminary technical review, a notice of the Application was posted and the Application was made available for general comment from March 10 to April 10, 2015. On April 10, 2015, comments were received from Aboriginal Affairs and Northern Development Canada (AANDC).

On May 13, 2015, the Applicant provided clarifications and the following updated documents, addressing minor deficiencies identified during the Application review stage:

- Non-Technical Summary for the Aston Bay Property in English - Storm and Seal Prospects
- Fuel Management Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015
- Waste Management Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015
- Spill Prevention and Response Plan for the Aston Bay Property (formerly the Storm Property) Effective June 2015

Based upon the results of the detailed assessment, including consideration of any potential accidents, malfunctions, or impacts to water that the overall project might have in the area, the Board approved the application and has issued Licence 2BE-STO1520.

III. GENERAL CONSIDERATIONS

Term of Licence

In accordance with the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (Act)* s. 45, the NWB may issue a Licence for a term not exceeding twenty-five years. In determining an appropriate term of a Water Licence, the Board considers a number of factors including, but not limited to; the results of AANDC site inspections and the corresponding compliance record of the Applicant, as well as intervenor comments provided during the application review process.

In the renewal Application, Commander requested for a five (5) year Licence renewal. In review of the comments received on the Application, the NWB has noted that there were no concerns expressed with respect to the requested Licence term. In review of the information available during the renewal process, the NWB concurs with the Applicant that a Licence term of five (5) years could be appropriate.

The five years Licence duration will allow the Licensee to properly carry out the terms and conditions of the Licence and 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 Board and carry out the proposed activities during this period.

Annual Report

The NWB has imposed on the Licensee, the requirement to produce an Annual Report. These Reports are for the purpose of ensuring that the NWB has an accurate annual update of the Licensee's activities related to water use and waste disposal during a calendar year. This information is maintained on the Public Register and is available to interested parties upon request. A "*Standardized Form for Annual Reporting*" is to be used by the Licensee and is available from the NWB file transfer protocol (FTP) site under the Public Registry link at the NWB Website.

Website Public Registry:

<ftp://ftp.nwb-oen.ca/OTHER/Standardized%20Forms/>.

This form provides the basis for annual reporting and format, however individual Licensees shall need to provide information in addition to that of the standard form to address project specific reporting requirements.

Water Use

As part of the renewal application the Licensee has requested to increase the allowable water use for drilling purposes from 15m³/day to 80m³/day increasing the total allowable water use up to 82m³/day.

No concerns were expressed by interveners in their submissions with respect to the requested freshwater amount requested by the Licensee, or to the manner in which it is obtained or used.

In accordance with the application, the NWB has imposed a daily limit of eighty 80m³/day for total drilling. An additional 2m³/day of water is permitted for domestic purposes at the camp. Total water use shall not exceed 82m³/day.

Solid Waste

As part of the Application, the Licensee submitted the document entitled "Waste Management Plan for the Aston Bay Property (Formerly the Storm Property)", Effective June 2015, to document waste management practices on Commander's exploration sites within the Aston Bay

Property. The Licensee states that this document is designed to provide employees and contractors with operational guidelines to minimize the generation of wastes and facilitate the collection, storage, transportation, and disposal of wastes while minimizing adverse effects on the environment.

In its comment, the AANDC recommended that the Applicant be advised that authorization is needed from the Hamlet of Resolute Bay for the disposal of Solid waste (residual waste (ash) and non-combustible, recyclable and hazardous waste, waste oil, and lead batteries) at Resolute Bay's waste disposal facility.

The Board has approved the updated "Waste Management Plan for the Aston Bay Property (Formerly the Storm Property)" (WMP or Plan), effective June 2015 as per Part D, Item 1 of the renewal Licence and requires that the Licensee implement the Plan accordingly.

Greywater and Sewage

It is generally recommended that locations for Waste disposal (including drilling Waste), be at a minimum of 31 metres from any Water body and such that there is no adverse effects to the quality, quantity and flow of Water. Greywater, Sewage and drill Waste shall be disposed of in pits/sumps.

Fuel Management

Commander will store primarily diesel and jet fuel, with small quantity of gasoline and propane, adjacent to the proposed camp. Small fuel caches will also be established at drill sites while drilling is in progress. These temporary caches will store small amounts of diesel and propane, as needed for drilling.

The Applicant developed the document entitled "Fuel Management Plan for the Aston Bay Property (Formerly the Storm Property)" (FMP or Plan), Effective June 2015, to provide procedures for the storage and handling of fuels for the purpose of reducing the risk of environmental contamination and to ensure the health and safety of all personnel from the accidental release of deleterious materials.

In its comment, AANDC stated that "*In addition to the volumes of fuel proposed for storage at the new camp site, Table 2.1 of the Fuel Management Plan should also include the volumes of fuel currently stored at the old camp site*". On May 13, 2015, the Applicant submitted an updated FMP, addressing AANDC comments.

The Board has approved the Plan as per Part E, Item 5 and requires that the Licensee implement the Plan accordingly. The Licensee is also required to annually review the FMP to address changes in operational practices and technology.

Spill Contingency Planning

The updated "Spill Prevention and Response Plan for the Aston Bay Property (Formerly the Storm Property)" (SPRP or Plan), Effective June 2015, submitted as additional information

within the Application is generally acceptable and has been approved by the Board under Part H, Item 1 of the Licence. The Licensee is required to annually review the Plan to address changes in operational practices and technology.

Abandonment and Restoration

The Proponent included as additional information within the Application the Plan entitled: “Abandonment and Restoration Plan for the Aston Bay Property (Formerly the Storm Property)” (A&R Plan or Plan), Effective June 2015 includes guidelines to follow during seasonal shutdown and final abandonment of the Property, in order to return exploration sites to as near as possible natural conditions. An updated version of Plan was submitted to the NWB on May 20, 2015.

The Board has approved this Plan with the issuance of the renewal Licence. The Licensee shall be required to review the Plan, as required by changes in operation and technology, and modify the Plan accordingly. Revisions to the Plan shall be submitted in the form of an Addendum within Annual Reports.

Monitoring

To ensure consistency with other exploration projects licensed in Nunavut, the Board requires that the Licensee establish, implement and report on the Monitoring Program outlined in Part J of the Licence.

It is also recommended that the proponent provide all source Water body and Waste disposal locations in latitude and longitude (i.e. degrees, minutes and seconds).



NUNAVUT WATER BOARD WATER LICENCE RENEWAL

Licence No. 2BE-STO1520

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

COMMANDER RESOURCES LTD.

(Licensee)

11th FLOOR, 1111 MELVILLE STREET, VANCOUVER, BC V6E 3V6

(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-STO1520 TYPE "B"

Water Management Area: WESTERN SOMERSET ISLAND WATERSHED - 44

Location: ASTON BAY PROJECT
QIKIQTANI REGION, NUNAVUT

Classification: MINING UNDERTAKING

Purpose: DIRECT WATER USE AND DEPOSIT OF WASTE

Quantity of Water use not
to Exceed: EIGHTY TWO (82) CUBIC METRES PER DAY

Effective Date of
Licence Issuance: JUNE 02, 2015

Expiry of Licence: JUNE 01, 2020

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

Draft:

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 undertaking classified as per Schedule 1 of the *Regulations* at the Aston Bay Project, located approximately 112 km south of Resolute Bay and about 1500 km northwest of Iqaluit, within the Qikiqtani 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*;

“**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);

“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;

“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 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. 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. Report all artesian flow occurrences as required under Part F, Item 4;
 - f. A summary of all information requested and results of the Monitoring Program; and
 - g. 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*.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all water for domestic camp use from Aston River. Total camp water use shall not exceed two (2) 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 eighty (80) cubic metres per day. The volume of water for the purposes of this Licence shall not exceed eighty-two (82) cubic metres per day.
2. Streams cannot be used as a water source unless authorized and approved by the Board in writing.
3. If the Licensee requires water in sufficient volume that the source water body may be drawn down the Licensee shall, at least thirty (30) days prior to commencement of use of water, submit to the Board for approval in writing, the following: volume required, hydrological overview of the water body, details of impacts, and proposed mitigation measures.
4. 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.
5. The Licensee shall not remove any material from below the ordinary high water mark of any water body unless authorized.
6. The Licensee shall not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
7. 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 implement the Plan entitled “Waste Management Plan for the Aston Bay Property (Formerly the Storm Property)”, Effective June 2015 that was updated and submitted as additional information within the Application on May 13, 2015, and has been approved by the Board with the issuance of the Licence.
2. 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.

3. The Licensee shall not practice on-site land filling of domestic waste, unless otherwise approved by the Board in writing.
4. The Licensee is authorized to dispose of all acceptable food waste, paper waste and untreated wood products in an incinerator.
5. 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.
6. The Licensee shall provide to the Board documented authorization from all communities in Nunavut receiving wastes from the Aston Bay Project prior to any backhauling and disposal of wastes to those communities.
7. 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.
8. 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.
9. 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.
10. The Licensee shall contain all toilet wastes in latrine pits or use incineration, chemical, portable or composting toilets. 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 immediate 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. 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.
4. The Licensee shall not mobilize heavy equipment or vehicles for drilling 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.
5. The Licensee shall implement the Plan entitled “Fuel Management Plan for the Aston Bay Property (Formerly the Storm Property)”, Effective June 2015 that was submitted as additional information within the Application on May 13, 2015, and has been approved by the Board with the issuance of the Licence.

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 (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.
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. On-ice drilling is not authorized under this Licence.

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

- b. 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 Prevention and Response Plan for the Aston Bay Property (Formerly the Storm Property)” Effective June 2015 that was updated and submitted as additional information within the Application on May 13, 2015.
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 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 5, 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 for the Aston Bay Property (Formerly the Storm Property)”, Effective June 2015 that was updated and submitted as additional information within the Application on May 20, 2015.
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 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.

11. 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.
12. 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. 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.
5. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
6. The Licensee shall include in the Annual Report required under Part B, Item 2 all data, monitoring results and information required by this Part.