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File No: NWB2TAH0103

May 15, 2002

D. Graham Gill Project Geologist Major General Resources Ltd. 1550 – 409 Granville Street Vancouver, BC V6C 1T2

RE: Amendment 1 to NWB2TAH0103

Dear Mr. Gill:

Please find attached Amendment 1 to Licence No. NWB2TAH0103 issued to Major General Resources Ltd. by the Nunavut Water Board (Motion #: 2002-03) 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. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

Sincerely,

Original signed by:

Philippe di Pizzo **Executive Director**

Enclosure: Licence No. **NWB2TAH0103-Amendment 1**

Paul Smith, DIAND Iqaluit cc:

C. Bodykevich, DIAND Inspector

Jack Kaniak, Kitikmeot Inuit Association

Gladys Joudrey, Nunavut Impact Review Board

Josee Gallipeau, Nunavut Wildlife Management Board

P. Pacholek, Environment Canada

P. Partridge, Department of Sustainable Development

LICENCE AMENDMENT No. 1

Licensee: Major General Resources

License No: NWB2TAH0103 Effective Date: May 15, 2002

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*, the Nunavut Water Board hereby grants the following license amendment.

The License issued July 11, 2001 shall be amended to the include the following terms and conditions to allow for on-ice drilling:

PART B: GENERAL CONDITIONS

Insert No 1. (vi) Summary of drill operations, including but not limited to, the following information: size and location of lakes; location of drill sites on the lake and land; approximate water depth at each drill location; type and extent of lake bed substrate at each location; background levels of turbidity prior to initiating drilling; and locations wastewater disposal areas.

PART D: CONDITIONS APPLYING TO DRILLING OPERATIONS

- Insert No. 6. The Licensee shall follow the *Interim Guidelines for On-Ice Drilling in the NWT* for all on-ice drilling operations. These are:
 - i. All drill cuttings shall be removed from the ice surface.
 - ii. The release of total suspended solids in the receiving environment shall be in compliance with the Guidelines for Total Suspended Solids contained in the *Canadian Council of Ministers of the Environment's (CCME) Canadian Water Quality Guidelines, Chapter 3 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).
 - iii. For kimberlite targets, non-toxicity must be demonstrated; toxicity testing shall be done on the effluent from the drilling operation and the results shall be submitted to the Board and/or an Inspector upon request.

Insert No. 7 The Licensee shall establish baseline water quality conditions before drilling through lake ice.

All terms and conditions of the License NWB2TAH0103 dated July 11, 2001 still apply.

This License Amendment issued and recorded at Gjoa Haven on May 15, 2002.

Approved by,

Original signed by:

Philippe di Pizzo Executive Director