



P.O. Box 119
GJOA HAVEN, NT X0E 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

kNK5 wmoEp5 vtmpq
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

March 20, 2000

Ms. Diane Gregory
Kennecott Canada Exploration Inc.
#354-200 Granville Street
Vancouver, BC V6C 1S4
VIA email: gregoryd@kcivan.com

RE: NWB Permit No. NWB2TAK0002

Dear Ms. Gregory:

Please find attached permit no. NWB2TAK0002 issued by the Nunavut Water 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*. The terms and conditions of the attached permit related to water use and waste disposal are an integral part of this approval.

Sincerely,

Philippe di Pizzo
Executive Director

Enclosure: Permit No. NWB2TAK0002

cc: R. Beavers, Indian and Northern Affairs Canada
J. Kaniak, Kitimeot Inuit Association
J. Ahmad, Nunavut Impact Review Board
A. Wilson, Environment Canada
C. Nichols, Sustainable Development
L. Coady, Nunavut Planning Commission

WATER USE AND WASTE DISPOSAL PERMIT

Pursuant to 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, hereafter referred to as the Board, hereby grants to Kennecott Canada Exploration Inc. authorization to use and dispose of waste in conjunction with exploratory drilling, airborne and ground geophysical surveys, prospecting and till sampling near Takajuak Lake, subject to the terms and conditions outlined herein and in the applicable land use permits.

PERMIT NO:	NWB2TAK0002
PERMITTEE:	Kennecott Canada Exploration Inc. #354-200 Granville Street Vancouver, BC V6C 1S4 Tel.: (604) 669-1880; Fax: (604) 669-5255 Email: gregoryd@kcivan.com
START DATE:	April 1, 2000
COMPLETION DATE:	September 1, 2002
PURPOSE:	Water Use and Waste Disposal associated with Exploration.
LOCATION:	Kitikmeot Region Takajuak Camp: Latitude: 66° 30' N Longitude: 113° 04' W; NTS Map: 86I

This permit issued and recorded at Gjoa Haven includes and is subject to the annexed conditions.

Philippe di Pizzo
Executive Director

PART A: SCOPE, DEFINITIONS & ENFORCEMENT

1. Compliance with the terms and conditions of this permit does not absolve the Permittee from responsibility for compliance with all applicable Federal, Territorial and Municipal legislation, as well as terms and conditions contained in applicable land use permits.
2. This permit 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, and with respect to any other impacts of the Permittee's activities on water quality, quantity or flow, including surface drainage.
3. Definitions:
 "sump" means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein; and
 "drill waste" means all materials or chemicals, solid or liquid, associated with drilling of bore holes and includes bore hole cuttings.
4. The Permittee shall maintain a copy of this permit at the sites of operation at all times.
5. Enforcement
 - i. Subject to Part A, Item 5 (iv), failure to comply with this licence will be a violation of the *Northwest Territories Water Act*, exposing the licensee to the enforcement measures and the penalties provided for in the Act.
 - ii. Subject to Part A, Item 5 (iv), all inspection and enforcement services regarding this licence will be provided by inspectors appointed under the *Northwest Territories Water Act*.
 - iii. Subject to Part A, Item 5 (iv), inspectors appointed under the *Northwest Territories Water Act* enjoy-with respect to this licence, and for the purpose of enforcing this licence, and with respect to the use of water and deposit or discharge of waste by the licensee-all powers, privileges and protections that are conferred upon them by the *Northwest Territories Water Act* or by other applicable law.
 - iv. To the extent that the *Northwest Territories Water Act* is, subsequent to the issuance of this licence, replaced with respect to water management in Nunavut by other federal legislation (including, without limitation, a regulation or order referred to in Section 10.10.2 of the *Nunavut Land Claims Agreement*), and to the extent that the other federal legislation is consistent with the *Nunavut Land Claims Agreement*, the other federal legislation shall apply with respect to this licence and the *Northwest Territories Water Act* shall cease to apply with respect to this licence.

PART B: GENERAL CONDITIONS

1. The Permittee shall file a report with the Board no later than March 31 of the year following the calendar year reported, which shall contain the following information:
 - i. A list of unauthorized discharges and a summary of follow-up actions taken;
 - ii. Revision to the Contingency Plan;
 - iii. Progressive reclamation work undertaken;
 - iv. Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
2. The NWB shall be notified of any changes in operating plans or conditions associated with this water use activity.
3. The Permittee shall not erect camps or store material on the surface ice of streams or lakes except that which is for immediate use.
4. With respect to access road construction, pad construction or other earthworks, the deposition of debris or sediment into any water body is prohibited. These materials shall be disposed of above the high water mark in such a fashion that they do not enter the water.
5. Winter lake and stream crossings shall be constructed entirely of ice and snow materials; stream crossings shall be removed or notched prior to spring breakup.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Permittee shall obtain all fresh water needed for domestic purposes using the Water Supply Facilities outlined in the application or as otherwise approved by the Board up to a maximum volume of 100 cubic metres per day.
2. The water intake hose used on the water pumps shall be equipped with a screen with a mesh size sufficient to ensure no entrainment of fish.
3. If the drilling requires water in sufficient volumes that the source waterbody may be drawn down please submit details (volume required, size of waterbody) to the NWB for review.
4. The Permittee shall ensure compliance with Section 36 of the *Fisheries Act* which requires that no person shall deposit or permit the deposit of a deleterious

substance of any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such water body.

5. The *Fisheries Act* prohibits the harmful alteration, disruption or destruction of fish habitat. No construction or disturbance of any stream, lake bed or banks of any definable watercourse is permitted unless formally authorized by the Department of Fisheries and Oceans.

PART D: CONDITIONS APPLYING TO DRILLING OPERATIONS

1. No land-based drilling shall be done within thirty (30) metres of the high water mark of any water body or watercourse. Drilling wastes from land-based drilling shall be disposed of in a sump such that they do not enter any water body.
2. The Permittee 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*.
 - 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.
3. The Permittee shall establish baseline water quality conditions before drilling through lake ice.
4. Drilling additives or muds shall not be used in connection with holes drilled through the lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be nontoxic.
5. Drill sludges shall be disposed of on shore at a site where direct flow into a water body is not possible.
6. If artesian flow is encountered, drill holes shall be plugged and permanently sealed upon project termination.
7. Sediment and erosion control measures shall be implemented prior to and maintained during the work to prevent entry of sediment into water.

PART E: CONDITIONS APPLYING TO WASTE DISPOSAL

1. Disposal of all sewage shall be in a sump located a minimum of thirty (30) metres from the normal high water mark and such that they do not enter any water body.
2. The Permittee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or on the banks thereof, which will impair the quality of the waters of the natural environment.
3. The Permittee shall dispose of all septic sewage into latrine pits and treated with a bacterial additive to facilitate breakdown of solids.
4. All non-combustible waste shall be disposed of in a manner approved by the Board.
5. The Permittee shall incinerate all combustible waste.
6. Any areas designated for waste disposal shall not be located within thirty (30) metres of the ordinary high water mark of any body of water, unless otherwise approved by the Board.
7. Open burning of waste is prohibited.

PART F: CONDITIONS APPLYING TO SPILL PREVENTION AND CONTINGENCY PLANNING

1. The Permittee shall review the approved "Contingency Plan for Materials in Exploration Camps and Drilling Operations, December 1999" annually to reflect changes in operation and/or technology.
2. If, during the duration of this permit, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Permittee shall:
 - i. Employ the Contingency Plan;
 - ii. Report the incident immediately to the 24-Hour Spill Line at (867) 920-8130; and
 - iii. Submit to the Inspector a detailed report on each occurrence no later than thirty (30) days after initially reporting the event.
3. The Permittee shall ensure that any chemicals, fuel, or wastes associated with the project do not enter waters frequented by fish. All sumps and fuel caches shall be located a minimum of thirty (30) metres from the normal high water mark and in such a manner that no fuel can enter any such water body.

PART G: CONDITIONS APPLYING ABANDONMENT

1. Within thirty (30) days upon expiration of this approval, the Permittee shall submit to the Nunavut Water Board and to the Inspector a summary report of the water use and waste disposal activities, abandonment and restoration of the site and list of unauthorized spills and follow-up action taken.
2. The Permittee shall carry out progressive reclamation with respect to this operation.
3. The Permittee shall plug or cap all bore holes and cut off any drill casings that remain aboveground to ground level upon abandonment.

**GENERAL CONDITIONS FOR THE ADMINISTRATION OF PERMITS
ISSUED BY THE NUNAVUT WATER BOARD (NWB)**

The following conditions form an integral part of Permit No. NWB2TAK0002 :

1. At the time of issuance, a copy of the Permit is placed on the Water Register in the NWB Head Office in Gjoa Haven. **Documents in the Register are available to the public.**
2. If the Permittee contemplates the renewal of Permit No. NWB2TAK0002, it is its responsibility to apply to the NWB for its renewal. The past performance of the Permittee, 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 Permit renewal. Note that if the permit expires before the NWB issues a new one, then water use and waste disposal **must cease**, or the Permittee will be in contravention of the Nunavut Land Claims Agreement. The NWB recommends that an application for the renewal of Permit No. NWB2TAK0002 be filed **at least three months** before the Permit's expiry date.
3. If Permit No. NWB2TAK0002 requires amendment, then **a public hearing may be required**. The Permittee should submit applications for amendment as soon as possible to give the NWB sufficient time to go through the amendment process. The process may vary depending on the scope of the amendment requested.
4. Any communication with respect to this permit shall be made **in writing** to the attention of:

Philippe di Pizzo
Executive Director
Nunavut Water Board
P. O. Box 119
Gjoa Haven, NT. X0E 1J0
Telephone: (867) 360-6338
Fax: (867) 360-6369
5. The Permittee shall submit all reports, studies, and plans to the Board in three copies. Reports or studies submitted to the Board by the Permittee shall include a **detailed executive summary in Inuktitut**.