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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **2BE-TOR1014**

January 7, 2010

Gordon Clarke, V.P. Exploration
North Arrow Minerals Inc.
Suite 860, 625 Howe St.
Vancouver, BC, V6C 2T6
Email: gord@northarrowminerals.com

RE: NWB Licence No. 2BE-TOR1014

Dear Mr. Clarke,

Please find attached Licence No. **2BE-TOR1014** issued to North Arrow Minerals Inc. 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*. 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 will be in contravention of the *Nunavut Land Claims Agreement* (NLCA) and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSTRA). 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.

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 acknowledged by the Manager of Licensing.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. The NWB notes that there is a NIRB Decision requirement for incineration to comply with the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions. This requirement is supported by the Government of Nunavut and Indian and Northern Affairs Canada. Environment Canada outlined appropriate incineration equipment and best management practices required to achieve the CWS for dioxins/furans and mercury. The GN-DoE recommended the development of a comprehensive waste management strategy to reduce and control the types and amounts of waste produced, especially segregation of wastes prior to disposal. In addition,

for the prevention of fuel spills and subsequent soil contamination, both Environment Canada and INAC recommend the use of secondary containment such as “insta-berms” for storage of petroleum products and chemicals. This information is attached for your consideration.¹

Sincerely,



Thomas Kabloona
Nunavut Water Board
Chair

TK/tla/pb

Enclosure:

Licence No. **2BE-TOR1014**
Comments-INAC, EC, GN-DoE, GN-CLEY

cc: Distribution – Kitikmeot

¹ Indian and Northern Affairs Canada (INAC), September 18, 2009; Environment Canada (EC), September 3, 2009; Government of Nunavut – Department of Environment (GN-DoE), September 18, 2009; and Government of Nunavut – Department of Culture, Language, Elders and Youth (GN-CLEY), September 10, 2009.

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DECISION

LICENCE NUMBER: 2BE-TOR1014

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated July 7, 2009 for a new Water Licence made by:

NORTH ARROW MINERALS INC.

to allow for the use of water and disposal of waste during camp and exploration activities including regional prospecting, geological mapping, rock sampling, ground and possibly airborne geophysics as well as potential diamond drilling, at the Torp Lake Project located within the Kitikmeot Region, Nunavut, generally located at the geographical coordinates as follows:

Latitude: 67°20'56"N Longitude: 109°32'41"W (centre of project area)

Latitude: 67°19'03"N Longitude: 109°39'07"W (proposed camp)

DECISION

After having been satisfied that the application was for a location within an area in which there is no valid Land Use Plan and subject to a 12.4.4(a) Screening Decision by the Nunavut Impact Review Board in accordance with Article 12 of the *Nunavut Land Claims Agreement* (NLCA), 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) 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 parties, 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 NWNSRTA, waived the requirement to hold a public hearing, and determined that:

**Licence Number 2BE-TOR1014 be issued subject to the terms and conditions contained therein.
(Motion #: 2009-18-04)**

| SIGNED this 7th day of January 2010 at Gjoa Haven, NU.



Thomas Kabloona
Nunavut Water Board
Chair

TK/tla/pb

BACKGROUND

North Arrow Minerals Inc. (Licensee) intends to carry out early-stage lithium exploration work at the Torp Lake Project including regional prospecting, geological mapping, rock sampling, ground and possibly airborne geophysics and, dependent upon results of earlier programs, diamond drilling. Float planes or helicopters will be utilized for mobilization and demobilization.

The Licensee will either work out of the established High Lake camp located 56 km to the east or set up a camp with the ability to house up to 16 persons. The camp would include 5 sleeping tents, combination cooks tent/first aid station, kitchen, dry, office, core shack, outhouse, generator shack, and a fuel cache.

Water for the camp will be obtained from Torp Lake, adjacent to the proposed camp location, and stored in a 1000 litre holding tank. Water will be used for daily camp cooking, laundry and shower needs. Water for drilling is proposed to be obtained from McAvoy Lake, or other water bodies proximal the drill targets.

PROCEDURAL HISTORY

The Licensee submitted a water licence application to the Nunavut Water Board (NWB) on July 7, 2009. Following receipt of a Nunavut Impact Review Board screening decision dated August 17, 2009 and after receipt of confirmation that the Project did not require a land use plan conformity determination from the Nunavut Planning Commission, the NWB distributed the application to interested parties for comment on August 18, 2009.

The NWB received comments on the application from interested parties, including Environment Canada (EC), the Government of Nunavut Department of Environment (GN-DoE), Indian and Northern Affairs Canada (INAC) and the Government of Nunavut Department of Culture, Language, Elders and Youth (GN-CLEY).

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-TOR1014

ISSUES

Term of Licence

In review of the application and the comments received from interested parties, there were no comments provided with respect to the Licensee's request for a licence term of five (5) years. The NWB has issued the Licence for five (5) years, which is standard for most exploration projects in Nunavut.

Annual Report

The requirement to produce Annual Reports is to ensure that the NWB has an accurate and timely annual update of water use and waste disposal activities for a given project during a calendar year. This information is maintained on the Public Registry and is available to interested parties upon request

Water Use

No concerns were submitted regarding the volume of water requested by the Licensee. The NWB has imposed a daily limit of fifty five (55) cubic metres, including fifty three (53) cubic metres for drilling operations and two (2) cubic metres for domestic purposes as indicated in the water licence application.

Sewage

INAC recommended that disposal locations for greywater and drilling wastes, be located a minimum distance of thirty (31) metres from any water body and such that there is no adverse effects to the quality, quantity and flow of water. The NWB agrees with INAC's recommendation, which is a standard mitigation measure included in many exploration licences. Additionally, the NWB will require that Toilet Wastes be contained in latrine pits or treated using 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.

Spill Contingency Plan

The Spill Contingency Plan submitted with the application is considered to be generally acceptable and approved by the Board. The Licensee is however, required to submit an addendum to the Plan within thirty (30) days of Licence issuance addressing the comments received during the review of the application, in particular those from INAC and EC. In future, when submitting a revised plan, the Plan need not include, but only to refer to the Material Safety Data Sheets (MSDS) and where they can be found (located), as other applicable legislation does require that current MSDS's are kept available on-site. These requirements are set out in Part H, Item 1 of the Licence.

Monitoring

The results of the monitoring program outlined in Part J are to be included in the Annual Report. If on-ice drilling is required, the Licensee must take note of relevant conditions under Part F and Part J of the Licence.



NUNAVUT WATER BOARD WATER LICENCE

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 860, 625 HOWE STREET, VANCOUVER, BC, V6C 2T6

(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:

Licence Number/Type: 2BE-TOR1014 TYPE "B"

Water Management Area: NUNAVUT 07

Location: TORP LAKE PROJECT
KITKMEOT REGION, NUNAVUT

Classification: MINING AND MILLING UNDERTAKING

Purpose: DIRECT WATER USE AND DEPOSIT OF WASTE

Quantity of Water use not to Exceed: FIFTY FIVE (55) CUBIC METRES PER DAY

Date of Licence Issuance: JANUARY 7, 2010

Expiry of Licence: DECEMBER 31, 2014

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

**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 an undertaking classified as Mining and Milling as per Schedule II of the *Regulations*, at the Torp Lake Project, located approximately 245 km southeast of Kugluktuk and 86 km northwest of Bathurst Inlet within the Kitikmeot 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*;

“**Engineer**” means a professional engineer registered to practice in Nunavut in accordance with the Engineering, Geological and Geophysical Act (Nunavut) S.N.W.T. 1998, c.38, s.5;

“Greywater” means all liquid wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include toilet wastes;

“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 *Northwest Territories Water Regulations* sor/93-303 8th June, 1993, omitting Section 5, Water Use or Waste Deposit Without a Licence;

“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 an excavation in impermeable soil for the purpose of catching or storing water or 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.

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 of \$30, payable to the Receiver General for Canada, shall be sent to the Board annually in advance of any use in accordance with Section 9 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. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - d. Report all artesian flow occurrences as required under Part F, Item 3;
 - e. Where drilling activity has penetrated below the permafrost layer, the depth of permafrost and location of the drill hole are to be included 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 review the Plans referred to in this Licence as required by changes in operation and/or technology and modify the Plans accordingly. Revisions to the Plans are to be submitted in the form of an Addendum to be included with the Annual Report required by Part B, Item 2, complete with a revisions list detailing where significant content changes are made.
4. 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.
5. 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.
6. 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.

7. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
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@nunavutwaterboard.org

(b) Inspector Contact:

Water Resources Officer, INAC
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 and Inuinnaqtun.
11. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the Board 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 Torp Lake. Total domestic water use shall not exceed two (2) cubic metres per day. Drill water shall be

obtained from local water source(s) including McAvoy Lake, proximal to the drilling targets as outlined in the application and shall not exceed fifty three (53) cubic metres per day. The volume of water for the purposes of this Licence shall not exceed fifty five (55) 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 operation 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 receiving wastes from the Torp Lake Project prior to any backhauling of wastes to those communities.
6. The Licensee shall remove and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation, to 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 dispose of 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.
9. The Licensee shall contain all Toilet Wastes in latrine pits or treated using 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 immediate banks except what is for immediate use. Camps shall be located such as to minimize impacts on surface drainage.
2. All activities shall be conducted in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake any 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.

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 ensure that all drill waste, including water, chips, muds and salts (CaCl_2) in any quantity or concentration, from land-based and on-ice drilling, shall be disposed of 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. All sumps shall be backfilled and contoured to prevent precipitation run-off collection prior to the end of the project field season.
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. Where drilling activity has penetrated below the permafrost layer, the NWB requests that the proponent record the depth of permafrost and location of the drill hole to be included within the Annual Report.
5. 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.
6. 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.
7. For on-ice drilling where drill additives are not being used, return water released must be nontoxic, 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).
8. 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 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 Contingency Plan, Torp Lake Project, Nunavut”, dated June 2009. The Licensee shall submit to the Board for review, within thirty (30) days of issuance of the Licence, an addendum to the approved Plan addressing the comments received from INAC and EC in the application review process which include the following:
 - a. Edit appendix 4 to list the substances that have MSDS’s available and provided within the Plan or refer to the safety data sheets and their location at the project site (safety office, first aid, muster point etc.);
 - b. Environment Canada contact info on page 7 should be revised to indicate the Yellowknife office number of (867) 669-4730 and the Inspector contact in Iqaluit (867) 975-4644. The 24hr pager is no longer in use; and
 - c. Section 4, reporting of a spill should be made to the 24 Hour Spill Report Line followed by reporting to INAC, Manager of Field Operations, Ph.(867) 975-4295, Fax (867) 975-6445.
- 2. Fuel containers, including barrels, should be marked with the responsible party’s name, product type, and year purchased or filled.
- 3. The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project from entering water. All sumps and fuel caches shall be inspected and documented on a regular basis and be located at a distance of at least thirty one (31) metres from the ordinary high water mark of any water body, where direct flow into a water body is not possible and no additional impacts are created.
- 4. The Licensee shall ensure that any equipment maintenance, servicing and refueling be conducted only in designated areas and shall implement special procedures (such as the use of drip pans) to manage fuels, motor fluids and other waste and contain potential spills.

5. 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 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.

PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING

1. The Board has approved the Plan entitled “Abandonment and Restoration Plan, Torp Lake Project, NU”, dated June 2009 that was submitted with the Application.
2. The Licensee shall remove hazardous waste, empty barrels and fuel drums from the site on an annual basis to prevent the over accumulation of these materials.
3. The Licensee shall complete all restoration work prior to the expiry of this Licence.
4. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee’s operations.
5. The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.
6. 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.
7. 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.
8. 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, January 2002. 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.

9. Drill holes and disturbed areas will be restored to natural conditions immediately upon completion of the drilling. The reclamation of drill holes must include the removal of any drill casing materials and the capping of holes with a permanent seal.
10. All disturbed areas shall be contoured and stabilized upon completion of work and restored to a pre-disturbed state.

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