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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

**File No.: 2WLC-HCP1920**

June 13, 2019

Garry Biles, President  
Canarc Resource Corp  
Suite 810 – 625 Howe St.  
Vancouver, BC V6C 2T6  
Email: [gbiles@canarc.net](mailto:gbiles@canarc.net)

Denise Lockett  
Consultant  
1205 Adams Road  
Bowen Island, BC V0N 1G2  
Email: [lockettta@telus.net](mailto:lockettta@telus.net)

**Subject: 2WLC-HCP1920 – Approval for the Use of Waters and Deposit of Waste Without a Licence for a Mining Undertaking Carried Under the Hard Cash Project**

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Dear Mr. Biles and Ms. Lockett:

Please find attached Approval No. **2WLC-HCP1920** (Approval) issued to Canarc Resource Corp., by the Nunavut Water Board (NWB or 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 (Nunavut Agreement)*. The Approval has been authorized for a period of one (1) year after the day on which the Board approves the Application and includes conditions related to the use of Waters and deposit of Waste, which are an integral part of this Approval required for this type of authorization under the *Nunavut Waters Regulations (NWR)*.

This approval and the conditions contained therein permit the carrying out of activities involving the use of Waters and deposit of Waste with respect to the Application for approval. Any variation from these activities may result in a violation of this Approval and contravention of the *Nunavut Agreement*, the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWSRTA)* or the *NWR*. The NWB would like to remind the Applicant of the obligations with respect to the reclamation and reporting requirements of the Approval, which will arise as this Approval approaches its expiry.

If the activities authorized under the Approval are expected to continue longer than the term authorized, it is recommended that the Authorized Entity, upon receipt of confirmation from the Nunavut Planning Commission (NPC) and the Nunavut Impact Review Board (NIRB) that relevant requirements have been satisfied, apply for a new Approval at least thirty (30) days prior to the expiry of the current authorization. Note that if the existing Approval expires before the

NWB issues a new Approval, the use of Waters and deposit of Waste must cease as required by the *Nunavut Agreement* and the *NWNSRTA*.

If the Authorized Entity contemplates changes to its undertaking involving a change in scope or increased activity, a water licence may be required. It is the Authorized Entity's responsibility to apply to the NWB for a water licence in accordance with the timelines set out for licences. The Board is aware that the Authorized Entity applied for a Type B licence for this Project, and the request is currently undergoing technical review. The Board advises that this Approval shall be considered as cancelled in the event that the Board grants a Type B licence for the Project.

This Approval has been posted to the NWB's Public Registry and FTP site and is accessible from the following link:

<ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2WL/2WLC-HCP---%20Silver%20Range%20Resources/>

Sincerely,

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Lootie Toomasie  
Nunavut Water Board  
Chair

LT/dd/rqd

Enclosure:     **Approval without a Licence No.: 2WLC-HCP1920**

cc.     Kivalliq Region



## NUNAVUT WATER BOARD APPROVAL WITHOUT A LICENCE

### APPROVAL DECISION

**APPROVAL NUMBER: 2WLC-HCP1920**

This is the decision of the Nunavut Water Board (NWB) with respect to an application for Approval for the use of Waters and deposit of Waste without a licence, dated May 27, 2019, made by:

#### CANARC RESOURCES CORP.

to authorize the use of Waters and deposit of Waste for a campo in support of exploration activities that include prospecting, mapping, sampling, and geophysical surveys at the Hard Cash Project, located in the Kivalliq Region, within the Kazan (#07) Watershed Management Area and within the following general geographical coordinates:

Project:	Max Latitude: 60° 55' 21.4" N	Max Longitude: 101° 29' 29.6" W
	Min Latitude: 60° 57' 14.0" N	Min Longitude: 101° 34' 4.2" W
2019 Camps:	Latitude: 60° 56' 48.0" N	Longitude: 101° 31' 49.0" W

### DECISION

After having received confirmation from the Nunavut Planning Commission (NPC)<sup>1</sup> that the Application is for a project proposal that conforms with the Keewatin Regional Land Use Plan and subject to the attached requirements, were previously reviewed by NPC, and the conformity determination 148599 was issued on June 10, 2017, which still applies, and that the activities were previously screened by the Nunavut Impact Review Board (NIRB; FILE NO.: 16EN045). The above-noted project proposal is exempt from screening by the NIRB because it does not change the general scope of the original project activities, and the exceptions noted in Section 12.4.3 (a) and (b) of the *Nunavut Agreement* do not apply in accordance with Article 12 of the *Nunavut Agreement* and s.89, 92(1) and 92(2)(a) of Nunavut Planning and Project Assessment Act (*NuPPAA*), the Board is satisfied that the requirements of Articles 11 and 12 of the *Nunavut Agreement* and sections 3, 4, and 5 of the *Nunavut Waters Regulations* (NWR or *Regulations*) have been adequately addressed. In addition, through the provision of a signed Application for an Approval Without a Licence, the Applicant has agreed to adhere to sections 4(3), 5(4), 5(5) and 6 of the *Regulations* and to comply with the associated requirements, the NWB determined that:

**Approval No. 2WLC-HCP1920 be issued, subject to the conditions of Schedule 1 contained therein (Motion # 2019-WL-009).**

SIGNED this 13<sup>th</sup> day of June, 2019 at Gjoa Haven, NU.

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Lootie Toomasie  
Nunavut Water Board, Chair

LT/dd/rqd

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<sup>1</sup> Nunavut Planning Commission, Conformity Determination, April 9, 2019.



**NUNAVUT WATER BOARD  
APPROVAL WITHOUT A LICENCE**

**APPROVAL NO. 2WLC-HCP1920**

Pursuant to the *Nunavut Waters Regulations*, *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

**CANARC RESOURCES CORP.**

of

**SUITE 810 – 625 HOWE STREET, VANCOUVER, BC, V6C 2T6**

Hereinafter called the Authorized Entity, the right to use Waters and Deposit of Waste for a period of one (1) year after the day on which the Board approved the Application, subject to the conditions contained in Schedule 1 attached to this Approval:

Project Name	<b>HARD CASH PROJECT</b>
Location:	<b>KIVALLIQ REGION, NUNAVUT</b>
Water Management Area:	<b>KAZAN WATERSHED (07)</b>
Classification:	<b>2. MINING UNDERTAKING</b>
Purpose:	<b>USE OF WATER AND DEPOSIT OF WASTE</b>
Approval Criteria:	<b>USE OF WATER NOT TO EXCEED TEN (10) CUBIC METRE PER DAY, AND DEPOSIT OF WASTE</b>
Date of Licence Issuance:	<b>JUNE 13, 2019</b>
Expiry of Licence:	<b>JUNE 12, 2020</b>

Dated this 13<sup>th</sup> day of June, 2019, at Gjoa Haven, NU

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Lootie Toomasie  
Nunavut Water Board, Chair



## **SCHEDULE 1**

### **CONDITIONS FOR USE OF WATER OR DEPOSIT OF WASTE WITHOUT A LICENCE**

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#### General

1. In the case of an Authorized Entity who has a mineral right and who intends to use Waters or deposit Waste in relation to that right, the Authorized Entity shall respect the priority conferred on Inuit by section 62 of the *Act* as if that applicant had a licence for the use or deposit.

#### Use of Waters

2. The Authorized Entity shall take measures prior to the use of Waters to minimize any alteration to the bed or banks of a watercourse whose waters are to be used, and the measures shall be maintained during the operation of the undertaking.

#### Deposit of Waste

3. The Authorized Entity shall not deposit Waste (Sewage) to surface water or within thirty-one (31) metres of the ordinary High Water Mark of any body of water.
4. The waste must not contain more than 15 milligrams per litre of petroleum or petroleum product and must not have a visible hydrocarbon sheen.
5. All other wastes, including incinerator ash, must be backhauled and disposed of at an approved waste disposal facility.

#### Spill Contingency

6. Measures to deal with unforeseen petroleum and hazardous materials releases that may occur during the activities conducted under the authorization to use waters and deposit waste without a licence, including:
  - a. 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;
  - b. prevent any chemicals, petroleum products or wastes associated with the project from entering water;
  - c. report spills immediately to the 24-Hour Spill Line at [\(867\) 920-8130](tel:867-920-8130) and to the Inspector at [\(867\) 975-4295](tel:867-975-4295);
  - d. 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 reference to the assigned spill number, the amount and type of spilled product, the GPS location (with datum) of the spill, and the measures taken to contain and clean up the spill site; and
  - e. in addition to Item 6c, 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.



## SCHEDULE 1 (Cont.)

### Abandonment and Restoration

7. Prior to the closure or abandonment of the undertaking or end of the period authorized for the use of Waters or deposit of waste without a licence, whichever occurs first, the site shall be restored — to the extent practicable — to the state in which it was before the use of Waters or the deposit of Waste.<sup>a</sup>

### Record Keeping

8. The Authorized Entity shall:
- a. maintain accurate and detailed books and records of:
    - i. the quantity of water, in cubic metres, used each day,
    - ii. the quantity, in cubic metres, of waste deposited each day,
    - iii. the type of waste deposited each day,
    - iv. where the waste is deposited including GPS coordinates in Latitude and Longitude (with datum),
    - v. the concentration of the substance, or substances, in the deposited solid or liquid that has the effect of making the deposit waste,
    - vi. the methodology used to calculate or determine the information referred to in items (i) to (v), and
    - vii. the measures that were taken to avoid or mitigate any adverse impacts of the deposit of waste.
  - b. keep the books and records on the site of the undertaking during the period of its operation and make them available during that period to an inspector on request;
  - c. submit to the Board a report containing a summary description and supporting photographs of the restoration of the site of the undertaking within thirty (30) days after the earliest of (i) the day on which the undertaking is closed or abandoned, and (ii) the last day of the period authorized for the unlicensed use or deposit;<sup>b</sup> and
  - d. keep the books and records for two years after submitting the report describing the restoration of the site and undertakings.

### Notes:

- a) A site need not be restored prior to the end of the period authorized for the use of Water or the deposit of Waste without a licence, as required by Item 7, if the Board issues a licence for the use of Water or deposit of Waste for the same undertaking on same site prior to the end of that period.
- b) The Authorized Entity need not submit the report referred to in Item 8 (c) if the Authorized Entity obtains a new approval authorizing a use of Water or deposit of Waste without a licence, or a licence authorizing a use of Water or deposit of Waste for the same undertaking on the same site within thirty (30) days after the last day of the period previously authorized.