



P.O. BOX 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

ᓇᓱᐊᑦ ልਲᓘᓱᓘ ንᓇᓘ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **8BC-MEA0709**

August 21, 2007

Louise Grondin
Vice President Environment
Agnico-Eagle Mines Ltd.
20 route 395, Cadillac, Qc,
JOY 1C0
Email: louise.grondin@agnico-eagle.com

RE: NWB LICENCE No. 8BC-MEA0709

Dear Ms. Grondin:

Please find attached Licence No. **8BC-MEA0709** issued to Agnico-Eagle Mines Ltd. by the Nunavut Water Board **Motion #:** **2007-08-11** 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. 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 30 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.

Sincerely,

Original signed by:

Thomas Kabloona
A/Chief Executive Officer

TK/ajw/pb

Enclosure: Licence No. **8BC-MEA0709**

Cc: Jim Rogers, INAC
Peter Kusugak, INAC
Andrew Keim, INAC
Colette Spagnuolo, INAC
Stephen Hartman, KivIA
Erin Calder, NWMB
Carson Gillis, NTI
Paul Savoie, DFO
Cindy Parker, EC
Earle Baddaloo, GN-DOE
John Dawe, GN
Leslie Payette, NIRB



P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

ᓇᓱᑦ ለ᜵᜵᜵ ኔ᜵᜵᜵
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

DECISION

LICENCE NUMBER: 8BC-MEA0709

This is the decision of the Nunavut Water Board (NWB) with respect to an application for the renewal a Licence dated April 8, 2007 made by

AGNICO-EAGLE MINES LTD.

to allow for the construction of the Baker Lake facilities related to the Meadowbank Project, which shall include the following: barge unloading facilities; a lay-down, storage and marshalling area; a fuel tank farm; and associated access roads.

These facilities shall be located within the Hamlet of Baker Lake, Kivalliq Region, Nunavut (located at the general latitude of 64°20'N and general longitude 96°10' W).

DECISION

After having been satisfied that the application was in conformity with the applicable Land Use Plan and following the review of the proposed undertaking by the Nunavut Impact Review Board (Project Certificate No. 004, dated December 30, 2006), in accordance with the *Nunavut Land Claim 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 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 NWNSRTA, decided to waive the requirement to hold a public hearing and determined that:

Licence Number 8BC-MEA0709 be issued subject to the terms and conditions contained therein. (Motion #: 2007-08-11)

SIGNED this 12th day of August 2007 at Gjoa Haven, NU.

Original signed by:

Thomas Kabloona
A/Chief Executive Officer

TABLE OF CONTENTS

DECISION	i
TABLE OF CONTENTS	ii
I. INTRODUCTION	1
II. PROCEDURAL HISTORY	2
III. GENERAL CONSIDERATIONS	3
A. Term of the Licence	3
B. General Conditions	3
C. Water Use	4
D. Deposit of Waste.....	4
E. Undertakings.....	5
F. Infrastructures and Operations.....	5
G. Modifications	5
H. Spill Contingency Planning	5
I. Abandonment and Restoration Planning	6
J. Monitoring	6
IV. LICENCE 8BC-MEA0709 TYPE "B"	7
PART A SCOPE AND DEFINITIONS	8
PART B GENERAL CONDITIONS.....	11
PART C CONDITIONS APPLYING TO THE USE AND PROTECTION OF WATER	12
PART D CONDITIONS APPLYING TO WASTE DISPOSAL.....	13
PART E CONDITIONS APPLYING TO THE UNDERTAKING	14
PART F CONDITIONS APPLYING TO CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS	15
PART G CONDITIONS APPLYING TO MODIFICATIONS	17
PART H CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING	18
PART I CONDITIOND APPLYING TO ABANDONMENT AND RESTORATION.....	19
PART J CONDITIONS APPLYING TO THE MONITORING PROGRAM.....	20

I. INTRODUCTION

The Applicant has indicated that supplies for construction and operations at the Meadowbank Project site will be consolidated in Baker Lake before being moved to the site over the all season road. The marshalling facility will receive supplies during the shipping season from late July until early October. The supplies will then be consolidated, sorted and transported to the site.

The proposed facilities at Baker Lake, located about 2 km east of the community, will consist of a barge unloading ramp with an adjacent storage and marshalling area, a fuel storage facility, a storage compound for explosives (all explosives will be stored in approved magazines) and interconnecting roads. A total storage area of approximately 104,000 m² will be provided by this facility, near the community of Baker Lake. The entire facility will be fenced and include an office trailer.

The Applicant has indicated that the site for the proposed lay-down area slopes up at about a 10% grade from the lake shore. Additionally, the Applicant has conducted an investigation of the proposed site and determined that the area is underlain by granular marine (beach) deposits which appear to be suitable for site grading and at-grade support of surface structures, with minimal treatment, provided that the thickness of these soils is greater than the annual thaw depth (2 m) and that adequate site drainage is implemented. The main marshalling area is located at least 200 metres from the lakeshore on marine deposits. The fuel tanks are located higher up the slope in an area of identified bedrock. The explosives storage compound is located still farther up the slope, at a distance as required by explosive storage regulations. A separate area will be lined with an HDPE liner for the storage of Ammonium Nitrate (AN). This storage area will encompass approximately 6,600 m², and will be located on the northwest side of the lay-down area. The general lay-down area will cover approximately 65,000 m². A detailed geotechnical report for the proposed lay-down and fuel storage site has been produced by Golder Associates Ltd and provided to the NWB.

The benches and roads for the lay-down area will be constructed utilizing a cut and fill process. Site roads will be constructed at an 8% gradient and the storage platforms will be sloped slightly to direct any run-off to the collection ditches. In the main traffic areas, the roads and the unloading platform will be covered in 1m of compacted granular fill. The storage platforms will be surfaced with 0.6m of compacted granular fill to provide stable support for the supplies. The benches and roads will be ditched to control run-off. The contact run-off will be directed to an impervious sedimentation pond adjacent to the unloading platform. The Applicant has indicated that water in the pond will be monitored prior to discharge to the environment. A comprehensive (Draft) Water Use and Water Management Plan has been produced by Golder Associates Ltd. for the Baker Lake facility, and provided to the NWB.

The Applicant has indicated that the proposed fuel storage area will be located adjacent to the marshalling area, at a distance greater than 200 metres from the shore of Baker Lake. The tanks will be field-erected steel tanks built to API-650 standards and located within a lined and bermed containment area, capable of containing 110% of the total volume of the tanks. The facility is

designed to be expanded to eventually contain four 10ML fuel tanks. The two 10 ML fuel tanks scheduled for completion this year will be erected prior to the end of the 2007 shipping season, to allow the tanks to be filled with arctic grade diesel fuel to meet the fuel needs for continued construction at the Meadowbank Project site over the winter.

The barges transporting diesel fuel to Baker Lake will be equipped with onboard transfer pumps to transfer fuel through a 200 mm hose connection to the storage tanks. A fuel pump module will be installed adjacent to the fuel storage tanks. The module will have high and low volume dispensing pumps to allow re-fuelling of highway vehicles, and the filling tanker trucks which will be used to haul fuel to site. The module will be housed in an arctic container installed on a lined and compacted gravel pad. The pump module will be provided with a spill collection sump and pumpout facilities.

The fuel storage facility will be contained within a lined and bermed area, complete with the following:

- A granular base for the tank complete with a 60 mil HDPE liner system and granular dikes to suit the 2 - 10ML tanks
- Two 10ML tanks complete with the required appurtenances
- Piping for unloading and loading
- Site lighting via fixtures mounted from the dispensing building
- One Re-supply/Dispenser Building for loading the fuel Trailer /Truck and other vehicles.
- A fuel dispensing pad area complete with a dispensing unit will be in a lined facility with a provision to capture any and all spills at the fueling area and direct it to the main containment area provided for the 2 - 10ML tanks.

II. PROCEDURAL HISTORY

On April 8, 2007, an Application for a Water Licence was filed with the Nunavut Water Board by Agnico-Eagle Mines Ltd., to allow for the construction of the Baker Lake Facilities related to the Meadowbank Project, which include the following: barge unloading facilities, a lay-down, storage and marshalling area, ammonium nitrate and explosive storage areas, a fuel tank farm and associated access roads. These facilities are to be located approximately two kilometers east of the community of Baker Lake, Kivalliq Region, Nunavut (located at the general latitude of 64°20'N and general longitude 96°10' W). An approval for an industrial subdivision at the proposed site was received from the Government of Nunavut, Department of Community and Government Services on August 24, 2006.

The Application was distributed to interested persons for review on June 29, 2007. Comments regarding the Application were received from the Government of Nunavut-Department of Environment, Environment Canada and Indian and Northern Affairs Canada prior to the July 29, 2007 deadline. The Licensee is directed to the written submissions received during the public review period for this Application for renewal, which can be found on the NWB ftp site at the

following url: <http://nunavutwaterboard.org/ftp/8BC-CONSTRUCTION/8BC-MEA/Comments and Intervenors>

In addition, the NWB recommends that the Licensee confirm with the Department of Fisheries and Oceans (DFO) the regulatory requirements related to any harmful alteration, disruption, or destruction of fish habitat (HADD) issues which may exist with the barge landing area.

The Licensee is also reminded that compliance with the terms and conditions of this Licence does not absolve the Licensee from the responsibility for compliance with the requirements of all other applicable Federal, Territorial and Municipal legislation.

III. GENERAL CONSIDERATIONS

A. Term of the Licence

In accordance with the Nunavut Waters and Nunavut Surface Rights Tribunal Act S. 45, the NWB may issue a licence for a term not exceeding twenty-five years. Although the Application had indicated an approximate completion date of 2019, the NWB noted in a letter issued by Agnico Eagle Mines Ltd. on August 2, 2007 in response to the comments received from interested parties, a commitment to agree to the amalgamation of Type "B" Licenses with the Meadowbank Project Type "A" Licence when issued. The NWB believes that a term of approximately two (2) years is appropriate and satisfies the short term needs of the Licence in view of the long term goals. The licence term will allow the Licensee to properly carry out the terms and conditions of the licence, to the satisfaction of the NWB.

B. General Conditions

Annual Report

The requirements imposed on the Licensee in this licence are for the purpose of ensuring that the NWB has an accurate annual update of water use and depositions of waste during a calendar year. This information is maintained on the public registry and is available to any interested persons upon request. The requirements of this Annual Report can be found in Part B, Item 1. A standard form for the annual reporting can be downloaded from the NWB ftp site at <http://nunavutwaterboard.org/ftp/> in the administration folder.

Security

With respect to security, under the NWNSRTA, Section 76(1), "*the Board may require an applicant, a Licensee or a prospective assignee to furnish and maintain security with the Minister in the form, of the nature, subject to such terms and conditions and in an amount prescribed by, or determined in accordance with, the regulations or that is satisfactory to the Minister.*" Due to the proximity of the facilities being constructed to the freshwater resource of Baker Lake and the nature of the appurtenant undertaking, the NWB has imposed upon the

Licensee, the requirement to assess the full cost of reclamation and closure to be considered by the Board for the posting of security.

An initial closure cost estimate was prepared by Golder Associates for Agnico-Eagle Mines Limited, in the form of a technical memorandum, on the Baker Lake Facilities for the Meadowbank Gold Project. This memorandum, dated July 12, 2007 was not included in the initial distribution information and as such, was not considered, or noted by the parties that provided comments. As this cost estimate provided a “summary of costs” in a very general format, the NWB has included within the conditions of the Licence, the requirement to provide a detailed assessment of restoration liability following 2007 construction. This estimate will be reviewed and a decision on the requirement for provision of security will be formally provided to the Licensee to then comply with Part B, Item 4.

C. Water Use

The Licensee has stated that water use will not be required during the term of this Licence as potable water for personal use will be obtained from the Hamlet of Baker Lake.

D. Deposit of Waste

Sewage

The Licensee has stated that sewage disposal will not be required during the term of this Licence, as sewage, if any, generated during construction/monitoring activities will be directed to the Sewage Disposal Facility operated by the Hamlet of Baker Lake.

Solid Waste

The Licensee has stated that solid waste disposal will not be required during the term of this Licence, as solid waste generated during the appurtenant undertaking will be directed to the Solid Waste Disposal Facility operated by the Hamlet of Baker Lake.

Contact Water Collection Ponds

The Licensee has indicated there will be two Contact Water Collection Ponds constructed at either end of the Dry Freight Storage Area as provided in the design drawings submitted with the Application. These ponds have been designed with an intended direct discharge to Baker Lake. The constructed facility will be within close proximity to the Hamlet of Baker Lake and the Water Supply Facilities for the Hamlet. As such, the NWB has imposed effluent quality requirements or standards for discharges from the Collection Ponds that are consistent with the Environmental Guidelines for Industrial Waste Discharges, 2004, Government of Nunavut, Department of Environment and where less stringent, imposed those recommended for the discharge of mine wastes under the Metal Mines Effluent Regulations, developed under the Fisheries Act. Where otherwise not addressed by either source, the Canadian Council of Ministers of the Environment (CCME) water quality guidelines for the protection of aquatic life

have been consulted and used where appropriate. These effluent standards are presented in the table under Part D, Item 4.

Part A, Item 1(ii) of this Licence emphasizes the requirement of the Licensee to be aware of appropriate legislation that may affect the operation of the facility and, especially, any discharges that may be considered.

E. Undertaking

General conditions apply.

F. Infrastructures and Operations

Site Water Management Plan

A “Draft Report on Water Use and Management Plan, Baker Lake Marshalling Area, Meadowbank Gold Project”, Golder Associates, March 2007 was received by the NWB with the Licence Application . This Plan was reviewed with the application documents and the NWB received comments on the prepared Plan. As this Plan was provided as a draft and considerable changes may be required upon completion of the construction for the project, the NWB has included a requirement under Part F, Item 1 for the re-submission of a final, revised Plan to take into account any changes to the project and comments received during the review period.

Operations and Maintenance Plan

The proposed facilities to be operated by the Licensee require a considerable understanding of the location, environment and the materials handling requirements of all products to be accepted at the Marshalling facilities. The Licensee has acknowledged that fact and committed to providing the appropriate Plans in a response letter dated August 2, 2007. Part F, Item 2 requires the submission of a site Operations and Maintenance Plan to address all aspects of the continued operation of the facility

G. Modifications

General conditions apply.

H. Spill Contingency Planning

As required by S. 6 (2)(g) of the Regulation, where the undertaking involves the handling or storage of petroleum products or hazardous materials, the Board may require an applicant to file a plan for the safe handling, storage and disposal thereof, and a contingency plan for their containment and for the clean-up thereof in the even of a spill. The Board generally requires that all Licensees prepare a comprehensive Spill Contingency Plan to establish a state of readiness to ensure a prompt and effective response to possible spills or system failure events.

The site-specific spill contingency plan will assist the Licensee in responding to emergencies such that the impacts to water in particular and the environment and public health in general are minimized. The Licence contains a requirement that a Spill Contingency Plan be developed within sixty (60) days of the issuance of this Licence, which shall address comments received by the Parties during the NWB review process.

I. Abandonment and Restoration (A&R) Planning

To ensure that all facilities associated with this Undertaking are reclaimed in an appropriate manner upon abandonment, the NWB requires the Licensee to submit to the NWB within ninety (90) days of the issuance of this Licence, an assessment of current restoration liability using the most recent version of RECLAIM or other equivalent method as approved by the Board.

Additionally, the Licensee shall furnish and maintain security with the Minister, as required by the Board, in a form and amount acceptable to the Minister. The security deposit shall be maintained until such time as the Minister is satisfied that the Licensee has complied with all provisions of an approved Abandonment and Restoration Plan. This clause shall survive the expiry of this Licence or renewals thereof.

J. Monitoring

The NWB has imposed monitoring requirements for all wastes to be discharged from the facilities and has detailed these requirements under Part J. In addition to the monitoring for water quality and quantity, the NWB has included a requirement to provide a monitoring plan for the geotechnical integrity of the Bulk Fuel Storage Facility as detailed under Part J, Item 10. This monitoring plan is to include a geotechnical assessment of the facility on an annual basis with the results of the monitoring plan to be included within the Annual Report.

LICENCE 8BC-MEA0709

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

AGNICO-EAGLE MINES LTD.

(Licensee)

Of

#20, ROUTE 395, CADILLAC, QC, J0Y 1C0

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water for a period subject to restrictions and conditions contained within this licence:

8BC-MEA0709

Licence Number

NUNAVUT 06

Water Management Area

HAMLET OF BAKER LAKE, KIVALLIQ REGION, NUNAVUT

Location

CONSTRUCTION OF THE BAKER LAKE FACILITIES, MEADOWBANK PROJECT

Purpose

INDUSTRIAL – TYPE “B”

Classification of Undertaking

NONE AUTHORIZED

Quantity of Water Not to Exceed

AUGUST 12th, 2007

Date of Licence

DECEMBER 31, 2009

Expiry Date of Licence

Dated this 12th day of August 2007 at Gjoa Haven, NU.

Original signed by:

Thomas Kabloona
A/Chief Executive Officer

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the construction of the Baker Lake Facilities associated with the Meadowbank Project, which shall include the following: barge unloading facilities, a lay-down, storage and marshalling area, a fuel tank farm, ammonium nitrate and explosive storage areas, and associated access roads, in accordance with the Application filed with the NWB on April 8, 2007. These facilities are to be located within the Hamlet of Baker Lake, Kivalliq Region, Nunavut (located at the general latitude of 64°20'N and general longitude 96°10' W).

- i. 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;
- ii. 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

In this Licence: **8BC-MEA0709**

“Act” means the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

“Analyst” means an Analyst designated by the Minister under Section 85 (1) of the *Act*;

“Appurtenant undertaking” means an undertaking in relation to which a use of waters 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*;

“Bulk Fuel Storage Facility” means the facility, constructed to contain a nominal capacity of approximately twenty (20) million litres of diesel fuel and all associated infrastructure, as described in the Application dated April 8, 2007 and all supporting documentation;

“CCME” means the Canadian Council of Ministers of the Environment;

“Chief Administrative Officer” means the Executive Director of the Nunavut Water Board;

“Effluent” means treated or untreated liquid waste material that is discharged into the environment from a structure such as a settling pond or following a treatment process;

“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;

“Hazardous waste” means waste classified as “hazardous” by Nunavut Territorial or Federal Legislation, or as “dangerous goods” under the *Transportation of Dangerous Goods Act*;

“Infrastructure” means all construction necessary for mining, such as watercourse crossings, piping, sewage and water systems, reservoirs, and roads;

“Inspector” means an Inspector designated by the Minister under Section 85 (1) of the *Act*;

“Licensee” means the individual or organization to which Licence 8BC-MEA0709 Type “B” is issued or assigned;

“Maximum Average Concentration” means the arithmetic means of any four consecutive analytical results submitted to the Board in accordance with the sampling and analysis requirements specified in the “Monitoring Program”;

“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;

“Monitoring Program” means a program established to collect data on surface water and groundwater quality to assess impacts to the environment of an appurtenant undertaking;

“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* 8 June, 1993;

“Sewage Disposal Facility” comprises the area and engineered structures designed to contain and treat sewage, as operated by the Hamlet of Baker Lake in accordance with a Licence issued by the Nunavut Water Board;

“Sewage” means all toilet wastes and greywater;

“Solid Waste” means any garbage, refuse, sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility and other discarded material, including solid, liquid, semi-solid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operation, and from community activities, but not including Hazardous Waste;

“Solid Waste Disposal Facility” comprises the area and associated structures designed to contain solid waste and to permanently isolate the contents of the disposal facility from the environment, as operated by the Hamlet of Baker Lake in accordance with a Licence issued by the Nunavut Water Board;

“Toilet Wastes” means all human excreta and associated products, but does not include greywater;

“Waste” means waste as defined in Section 85 (1) of the *Act*;

“Water Supply Facilities” comprises the water supply and associated infrastructure designed to collect and supply water, as operated in accordance with a Licence issued by the Nunavut Water Board;

“Waste Disposal Facilities” means all facilities designated for the disposal of waste, and includes the Sewage Disposal Facilities, Solid Waste Disposal Facilities, and Landfarm Facility, as operated by the Hamlet of Baker Lake in accordance with a Licence issued by the Nunavut Water Board.

3. Enforcement

- i. 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*;
- ii. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- iii. 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. 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 which shall contain the following information:
 - i. Tabular summaries for all data and information generated under the “Monitoring Program”;
 - ii. An analysis of data collected during the “Monitoring Program” and a brief description of any future studies planned by the Licensee;
 - iii. A summary of any abandonment and restoration work undertaken during the year and an outline of any work anticipated for the next year;
 - iv. A summary of any studies requested by the Board that relate to waste disposal, water use or reclamation, and a brief description of any future studies planned;
 - v. A list of unauthorized discharges and summary of follow-up actions taken;
 - vi. If applicable, a description of any trenches and collection ponds excavated, including but not limited to the following: GPS coordinates, dimensions, depth below active layer, and secondary containment features;
 - vii. A description of all progressive and or final reclamation work undertaken, presented with photographic records of site conditions before, during and after completion of operations;
 - viii. An updated estimate of the current restoration liability required under Part B, Item 3, based upon the results of restoration research, project development monitoring, and any changes or modifications to the Appurtenant Undertaking;
 - ix. A public consultation/participation report describing consultation with local organizations and the residents of the nearby communities;
 - x. A brief summary of work done to address concerns or deficiencies listed in the inspection reports and/or compliance reports prepared by an Inspector;
 - xi. An executive summary in English and Inuktitut of all plans, reports, or studies conducted under this Licence; and
 - xii. Any other details on water use or waste disposal requested by the Board by November 1st of the year being reported.
2. 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.
3. The Licensee shall submit to the Board for approval, within sixty (60) days of completion of construction for the 2007 season, an assessment of current restoration liability using the most recent version of RECLAIM or other equivalent method as approved by the Board.
4. The Licensee shall furnish and maintain security with the Minister as required by the Board in a form and amount acceptable to the Minister.

5. The security deposit shall be maintained until such time as the Minister is satisfied that the Licensee has complied with all provisions of an approved Abandonment and Restoration Plan. This clause shall survive the expiry of this Licence or renewals thereof.
6. 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:
 - (i) **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
 - (ii) **Inspector Contact:**
Water Resources Officer
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4298
Fax: (867) 979-6445
7. 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.
8. 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.
9. This Licence is not assignable except as provided in Section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO USE AND PROTECTION OF WATER

1. The Licensee shall obtain water, for domestic and industrial use, from a source approved by the NWB.
2. The Licensee shall not cut any stream bank or remove any material from below the ordinary high water mark of any water body.
3. The Licensee shall ensure that all non-contact water collected via the water diversion

channel system and the collection channel system from the marshalling area, routed directly to Baker Lake, does not result in deposition of sediment by incorporating the appropriate sediment and erosion control measures where necessary.

4. The Licensee shall undertake appropriate corrective measures to mitigate impacts on surface drainage resulting from the Licensee's operations.
5. The Licensee shall designate an area for the deposition of excavated and stockpiled materials that is at least thirty (30) metres above the ordinary high water mark of any water body.
6. The Licensee shall ensure that any chemicals, petroleum products or wastes associated with the project do not enter water. All collection ponds shall be located a minimum of thirty (30) metres above the ordinary high water mark of any adjacent water body and inspected on a regular basis.
7. The Licensee shall not do anything that will cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
8. The Licensee shall implement sediment and erosion control measures to prevent the deposition of dust and/or sediment into water, arising from contractor activities or on-site vehicular travel.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. The Licensee shall direct all sewage to the Sewage Disposal Facility operated by the Hamlet of Baker Lake, or as otherwise approved by the Board.
2. The Licensee shall provide to the Board documented authorization from the Hamlet of Baker Lake prior to the disposal of any sewage.
3. All effluent discharged from the Contact Water Collection Ponds shall be in such a manner as to minimize surface erosion and that meets the approval of an Inspector.
4. All effluent being discharged from the constructed facilities, including the Bulk Fuel Storage Facilities, ammonia storage and explosives storage and general marshalling area at Monitoring Stations MEA-2 through MEA-6 respectively, shall meet the following effluent quality standards:

Parameter	Maximum Average Concentration (MAC)	Maximum Concentration of any single Grab Sample
Total Arsenic (mg/L)	**0.5	1.00
Total Copper (mg/L)	**0.30	0.60
Total Lead (mg/L)	*0.05	0.10
Total Nickel (mg/L)	**0.50	1.00
Total Zinc (mg/L)	*0.50	1.00
Total Suspended Solids (mg/L)	*15.0	30.0
Ammonia (mg/L)	6.0	
Total Cyanide (mg/L)	*0.1	0.2
Benzene (ug/L)	370	
Toluene (ug/L)	2	
Ethylbenzene (ug/L)	90	
Lead (mg/L)	1	
Oil & Grease (mg/L)	5.0 and no visible sheen	

The waste discharged shall have a pH of between 6.0 and 9.5

*Environmental Guideline for Industrial Waste Discharges, 2004

**Metal Mines Effluent Regulations (MMER)

5. The Licensee shall direct all solid waste to the Solid Waste Disposal Facility operated by the Hamlet of Baker Lake, or as otherwise approved by the Board.
6. The Licensee shall provide to the Board documented authorization from the Hamlet of Baker Lake prior to the disposal of any solid waste.

PART E: CONDITIONS APPLYING TO THE UNDERTAKING

1. The Licensee shall ensure that all fill material used is from an approved source and shall be free of contaminants.
2. The Licensee shall minimize disturbance to terrain, permafrost and drainage during movement of contractor's equipment and personnel around the site during construction activities.
3. The Licensee shall ensure that all activities are 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

4. The Licensee shall ensure that all sites are stabilized, landscaped as necessary, and suitable erosion control measures implemented to minimize sediment deposition into watercourses located on or adjacent to the site, to the satisfaction of an Inspector.
5. With respect to access road, pad construction or other earthworks, the deposition of debris or sediment into any water body is prohibited. These materials shall be disposed of a distance of at least thirty (30) metres from the ordinary high water mark of any water body in such a fashion that they cannot enter the water.
6. The Licensee shall not deposit any waste in any body of water, or on the banks thereof, which may impair the quality, quantity, or flow of water.
7. The Licensee shall, if any constructed facilities associated with this undertaking (as described in the Application filed with the NWB on April 8, 2007) were to fail, repair such facilities immediately to the satisfaction of an Inspector.

PART F: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

1. The Licensee shall submit within sixty (60) days of issuance of the Licence, a Site Water Management Plan that is specific to the scope of this Licence and prepared in accordance with the comments of the Parties regarding their review of the Application filed with the Board on April 8, 2007. This Plan shall include, but not be limited to, the following:
 - i. The name, job title and 24 hour contact number for the person or persons responsible for site operations;
 - ii. The name and address and telephone number of the employer;
 - iii. A detailed description of the facility, including its geographic location, UTM coordinates (map sheet number, Eastings and Northings) and geographic coordinates (Lat/Long);
 - iv. A site map of sufficient scale to show the location of buildings, contaminants storage areas, sensitive areas such as water bodies, probable pathways of contaminant flow and general topography;
 - v. A detailed description of the site water management procedures to be undertaken, including, but not limited to a full water balance with details on precipitation and evaporation, the location of water diversion and sediment and flow control structures, operational controls for release of water;
 - vi. Steps to be taken to report, contain, clean up and dispose of any spill that may occur, which may be included as a Spill Contingency Plan (as required in Part H, Item 1) appended to the Site Water Management Plan;
 - vii. A detailed description of the facility monitoring station locations, as *per* Table 1, Part J, Item 1 for the collection ponds located in the south-east and south-west corners of the lay-down area, the Bulk Fuel Storage Area containment sump, the

ammonium nitrate storage area and the explosive storage area, including their geographic location, UTM coordinates (map sheet number, Eastings and Northings) and geographic coordinates (Lat/Long); and

viii. The date that the Site Water Management Plan was prepared.

2. The Licensee shall submit within sixty (60) days of issuance of the Licence, an Operations and Maintenance Plan that is specific to the scope of this Licence and prepared in accordance with the comments of the Parties regarding their review of the Application filed with the Board on April 8, 2007. This Plan shall include, but not be limited to, the following:

ix. The name, job title and 24 hour contact number for the person or persons responsible for site operations;

x. The name and address and telephone number of the employer;

xi. A detailed description of the facility, including its geographic location, UTM coordinates (map sheet number, Eastings and Northings) and geographic coordinates (Lat/Long);

xii. A site map of sufficient scale to show the location of buildings, contaminants storage areas, sensitive areas such as water bodies, probable pathways of contaminant flow and general topography;

xiii. A detailed description of the Operations and Maintenance procedures to be undertaken in the handling, storage and disposal of petroleum products, explosives and ammonium nitrate;

xiv. A detailed description of the Operations and Maintenance procedures to be undertaken in management of water on the site, which may be included as a stand-alone Water Management Plan (as required in Part F, Item 2) appended to the Operations and Maintenance Plan;

xv. Steps to be taken to report, contain, clean up and dispose of any spill that may occur, which may be included as a Spill Contingency Plan (as required in Part H, Item 1) appended to the Operations and Maintenance Plan; and

xvi. The date that the Operations and Maintenance Plan was prepared.

7. If not approved by the Board, the Plans referred to in this Part shall be revised and resubmitted within thirty (30) days of receiving notification of the Board's decision.

8. The Licensee shall implement the Plans as and when approved by the Board.

9. The Licensee shall annually review the Plans referred to in this Part and if needed, modify it to reflect changes in operation and/or technology. Any revisions to the Plan shall be submitted in the form of an addendum with the Annual Report, unless directed otherwise by an Inspector.

10. With respect to the undertaking, which shall include the barge unloading facilities, lay-down, storage and marshalling areas, ammonium nitrate and explosive storage areas, Bulk Fuel Storage Facility, and associated access roads described in the Application filed

with the NWB on April 8, 2007, the deposition of debris or sediment into any water body is prohibited. These materials shall be disposed of at least thirty (30) metres above the ordinary high water mark of any water body in such a fashion as to prevent erosion and sedimentation of any surrounding water body.

11. The Licensee shall ensure that the construction and operation of the Bulk Fuel Storage Facility meets, at a minimum, all applicable legislation and industry standards. Industry standards include, but should not be limited to the following:
 - i. *Environmental Code of Practice for Aboveground Storage Tank Systems Containing Petroleum Products, 2003; CCME;* and
 - ii. *National Fire Code, 1995,* and any amendments thereof.
12. In addition to Part F, Item 11 and where there is no contravention with the codes, the Licensee shall ensure that construction of the Bulk Fuel Storage Facility, dispensing station and drainage control structures are in accordance with the Application filed on April 8, 2007.
13. The Licensee shall submit for Board review, within ninety (90) days of the final construction of the Bulk Fuel Storage Facility, a report prepared and signed by the Engineer responsible for supervision of the construction that shall include, but not be limited to, the following:
 - i. The Approval for Construction issued by the Fire Marshal;
 - ii. As-built drawings (signed and stamped by an Engineer);
 - iii. A summary of the construction, including the documentation of field decisions that deviate from construction drawings and specifications; and
 - iv. Any data used to support these decisions.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

1. The Licensee may, without written consent from the Board, carry out Modifications to the Waste Disposal Facilities provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:
 - i. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
 - ii. such Modifications do not place the Licensee in contravention of the Licence or the *Act*;
 - iii. 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
 - iv. 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 Licensee shall submit within sixty (60) days of issuance of the Licence, a Spill Contingency Plan that is specific to the scope of this Licence and prepared in accordance with the *Spill Contingency Planning and Reporting Regulations* developed under Section 34 of the *Environmental Protection Act*, Government of Nunavut, that will describe how petroleum products and hazardous materials will be handled, stored and disposed of, as well as how they will be contained and cleaned-up in the event of a spill. This Plan shall include, but not be limited to, the following:
 - i. The name, address and contact number for the person in charge, management or control of the contaminant (in this case, fuel oil and any other chemicals associated with the program);
 - ii. The name and address and telephone number of the employer;
 - iii. The name, job title and 24 hour contact number for the person or persons responsible for activating the spill plan;
 - iv. A detailed description of the facility, including its geographic location – in UTM coordinates (map sheet number, Eastings and Northings) and geographic coordinates (Lat/Long) – size and storage capacity
 - v. A description of the type and amount of contaminants stored on site;
 - vi. A description of the spill prevention measures to be undertaken in the handling, storage and disposal of petroleum products and hazardous materials;
 - vii. Steps taken to report, contain, clean up and dispose of any spill;
 - viii. A site map of sufficiently large scale to show the location of buildings, contaminants storage areas, sensitive areas such as water bodies, probable pathways of contaminant flow and general topography;
 - ix. A description of the spill response training provided to employees who will respond to a spill;
 - x. An inventory and location of the response and clean up equipment available to the spill clean up team;
 - xi. The means by which the spill plan is activated; and
 - xii. The date that the Spill Contingency Plan was prepared
2. If not approved by the Board, the Plan referred to in Part H, Item 1 shall be revised and resubmitted within thirty (30) days of receiving notification of the Board's decision.

3. The Licensee shall implement the Plan as and when approved by the Board
4. The Licensee shall annually review the Plan referred to in this Part and if needed, modify it to reflect changes in operation and/or technology. Any revisions to the Plan shall be submitted in the form of an addendum with the Annual Report, unless directed otherwise by an Inspector.
5. The Licensee shall ensure that any equipment maintenance and servicing be conducted only in designated areas and shall implement special procedures (such as the use of drip pans) to manage fluids, waste and contain potential spills.
6. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - i. Employ the Spill Contingency Plan to minimize the unauthorized discharge of waste, and to mitigate the effects of any such spill as may occur;
 - ii. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the INAC Water Resources Inspector at (867) 975-4295; and
 - iii. Submit to the INAC Water Resources Inspector on each occurrence, a detailed report including the GPS location, no later than thirty (30) days after initially reporting the event.

PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

1. The Licensee shall submit to the Board for approval, within sixty (60) days of issuance of this Licence, an Abandonment and Reclamation Plan that is specific to the scope of this Licence and prepared in accordance with the *Mine Site Reclamation Guidelines for the Northwest Territories (INAC), 2006* and consistent with the *INAC Mine Site Reclamation Policy for Nunavut, 2002*. The Plan shall include a section on reclamation liability complete with the assessment and estimate of costs based on the most recent version of RECLAIM. The Licensee shall refer to comments submitted by interested parties as part of the review of the Plan.
2. If the Plan referred to in Part I, Item 1 is not approved, the Licensee shall make the necessary revisions and resubmit the Plan within thirty (30) days following notification from the Board.
3. The Licensee shall implement the Plan specified in Part I, Item 1 as and when approved by the Board.

4. The Licensee shall ensure that, upon completion of work, any areas disturbed as a result of the undertaking are stabilized and re-vegetated as required and restored as practically as possible to a pre-disturbed state to the satisfaction of an Inspector.
5. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations.
6. The Licensee shall complete all restoration work prior to the expiry of this Licence.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

1. The Licensee shall maintain Monitoring Program Stations at the following locations:

Monitoring Program Station Number	Description	Status
MEA-1	Water sample location at Baker Lake in close proximity to the constructed facilities.	Active
MEA-2	East Contact Collection Pond, located in the south-east corner of the lay-down area.	Active
MEA-3	West Contact Collection Pond, located in the south-west corner of the lay-down area	Active
MEA-4	Secondary containment sump at the Bulk Fuel Storage Facility	Active
MEA-5	Water sample location at the ammonium nitrate storage area	Active
MEA-6	Water sample location at the explosive storage area	Active

2. The Licensee shall maintain the necessary signs to identify the stations of the Monitoring Program. All signs shall be located and maintained to the satisfaction of an Inspector.
3. The Licensee shall obtain a representative sample, prior to operation of the planned facilities and annually thereafter, of the water within Baker Lake, at Monitoring Station MEA-1, immediately adjacent to the constructed facility, or as agreed upon with the Inspector. Analysis of the sample shall include, but not be limited to the following parameters:

pH
Total Suspended Solids

Electrical Conductivity
Total Ammonia
Total Arsenic
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)
Oil and Grease;
TPH (Total Petroleum Hydrocarbons); and
BTEX (Benzene, Toluene, Ethylbenzene and Xylene)

4. The Licensee shall, prior to the discharge of any effluent from Monitoring Stations MEA-2 and MEA-3 and the transfer of water from Monitoring Station MEA-4, collect representative samples and analyze for the parameters identified in Part J, Item 3.
5. The Licensee shall measure and record in cubic metres, the monthly and annual quantities of water transferred from the Bulk Fuel Storage Facility to the East Contact Water Pond or any other location as designated by the Inspector.
6. The Licensee shall measure and record, in cubic metres, the monthly and annual quantities of water discharged at Monitoring Station Number MEA-2 and MEA-3.
7. The Licensee shall ensure that 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.
8. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
9. The Licensee shall, within six (6) months following completion of construction of the Bulk Fuel Storage Facility, submit to the Board for approval, a plan for the environmental monitoring of the Bulk fuel Storage Facility. The Plan is to include, but not be limited to, the following:
 - i. Methods for the geotechnical assessment of the performance of the containment facility;
 - ii. Location, environmental setting and the potential for leaks or seepage that could impact water;
 - iii. An assessment of the need for, and if required, the design for installation, monitoring and maintenance of vertical Groundwater Monitoring Wells to be installed in accordance with the *Environmental Code of Practice for Aboveground Storage Tank Systems Containing Petroleum Products, 2003; CCME*; and
 - iv. Recommended sampling for ongoing monitoring of the integrity of the secondary containment.

10. If the Plan referred to in Part J, Item 11 is not approved, the Licensee shall make the necessary revisions and resubmit the Plan within thirty (30) days following notification from the Board.
11. The Licensee shall implement the Plan specified in Part J, Item 11 as and when approved by the Board.
12. The Licensee shall, upon approval of the Bulk Fuel Storage Facility Monitoring Plan, submit the results of the monitoring carried out under the Plan as part of the Annual Report required under Part B, Item 1.
13. An Inspector may impose additional monitoring locations and requirements.
14. The Licensee shall ensure that tabular summaries for all data and information generated under the “Monitoring Program”, as well as an analysis of data collected during the “Monitoring Program”, are provided to the Board in the Annual Report, in accordance with Part B, Item 1 (i) and (ii).