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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No: **8BD-GBR2530**

April 17, 2025

Gavin Law
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RE: NWB Licence No: 8BD-GBR2530

Dear Mr. Law and Ms Hamm:

Please find attached Licence No: **8BD-GBR2530** issued to West Kitikmeot Resources Corp. (Applicant or Licensee) 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 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 may be in contravention of the *Nunavut Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. 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's interest, to hold a public hearing. The Licensee should submit application 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 are acknowledged by the Manager of Licensing.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. This information is attached for your consideration.¹

Sincerely,

Lootie Toomasie
Nunavut Water Board
Chair

LT/as/rh

Enclosure: Licence No: **8BD-GBR2530**
Comments – KIA, CIRNA, DFO

Cc: Kitikmeot Distribution List

¹ Kitikmeot Inuit Association (KIA), March 10, 2025; Crown-Indigenous Relations and Northern Affairs Canada (CIRNA), February 26, 2025; Department of Fisheries and Oceans (DFO), February 28, 2025.

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DECISION

LICENCE NUMBER: 8BD-GBR2530

This is the decision of the Nunavut Water Board (NWB) with respect to an application received on December 6, 2024 for a new Type B Water Licence made by:

WEST KITIKMEOT RESOURCES CORP.

to allow for the use of Water and deposit of Waste in support of drilling activities for the Grays Bay Road and Port, Field Research Project, located in the Kitikmeot Region, Nunavut, generally located at the geographical coordinates as follows:

Latitude: 68° 25' 20.46" N	Longitude: 112° 41' 31.28" W
Latitude: 68° 31' 52.45" N	Longitude: 108° 25' 39.42" W
Latitude: 65° 52' 31.02" N	Longitude: 113° 32' 58.92" W
Latitude: 65° 28' 43.44" N	Longitude: 108° 55' 37.5" W

DECISION

After having been satisfied that the application is for a proposal which lies outside the area of an applicable regional land use plan as per Nunavut Planning Commission (NPC) Determination², and following the Nunavut Impact Review Board's (NIRB's) recommendation that a review of the project is not required pursuant to Article 12, Sections 12.4.1 and 12.4.4 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement)* and s. 92(1)(a) of the *Nunavut Planning and Project Assessment Act*, S.C. 2013, c. 14, s. 2 (NUPPA), subject to the terms and conditions included within NIRB Screening Decision Report³, 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 (Act)* and Article 13 of the *Nunavut Agreement*, 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 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 *Nunavut Agreement* and of the *Act*, waived the requirement to hold a public hearing, and determined that:

**Licence No: 8BD-GBR2530 be issued subject to the terms and conditions contained therein.
(Motion #: 2025-B1-002)**

Signed this 17th day of April, 2025 at Gjoa Haven, NU.

Lootie Toomasie
Nunavut Water Board, Chair
LT/as/rh

² Nunavut Planning Commission (NPC) Conformity Determination, September 20, 2024.

³ Nunavut Impact Review Board (NIRB) Screening Decision Report, February 18, 2025.

I. BACKGROUND

The Application is by West Kitikmeot Resources Corp. (WKR) for a new Type B Water Licence to use water and deposit of waste for the Grays Bay Road and Port, Field Research Project (Project). The term requested is ten years. The Project is expected to start in April 2025 and is expected to continue until 2029.

The Grays Bay Road and Port (GBRP) Project (Project) is a proposed transportation corridor that will permanently connect a deep-water port at Grays Bay (Kogloktuak) on the Coronation Gulf, to the northern terminus of the Tibbitt-Contwoyto Winter Road at the former Jericho Mine, Nunavut.

To support the design of the Project and to assess the impacts of the Project on the biophysical and socio-economic environment, for an anticipated environmental and socio-economic impact review in the coming years, WKR commenced field studies in July 2024. These studies involve workers accessing land and waters within the Project Area, collecting biophysical environmental data, installing new scientific instrumentation required to support environmental data collection, and undertaking design-related studies including geotechnical drilling. No permanent infrastructure is being proposed to support this program.

II. PROCEDURAL HISTORY

Pre-Licencing requirements

NPC Determination: September 20, 2024 (NPC File no. 150523) – The project proposal is outside the area of an applicable regional land use plan. The works and activities listed in this proposal were previously reviewed by the Nunavut Planning Commission (NPC). The works and activities were previously screened by the Nunavut Impact Review Board (NIRB File: 17YN067). The above-noted project proposal is a significant modification to the original scope of the project and requires screening by the NIRB under Section 12.4.3 of the *Nunavut Agreement*.

NIRB Decision: February 18, 2025 (NIRB File No. 24YN049) – Following the NIRB assessment of this proposal, the NIRB is recommending that a review of this project proposal is not required pursuant to s. 92(1)(a) of the *Nunavut Planning and Project Assessment Act*, S.C. 2013, c. 14, s. 2 (*NuPPAA*). Subject to the Proponent's compliance with the terms and conditions of NIRB Screening Decision Report, the NIRB is of the view that the project proposal is not likely to cause significant public concerns, and it is unlikely to result in significant adverse environmental and social impacts.

Licence Application

The NWB received the type B water licence application and supporting information (Application) for the Project on December 6, 2024. The NWB conducted a preliminary review, which determined that the NIRB's Screening Decision was needed for the Application to proceed. The NWB received the NIRB's Screening Decision on February 18, 2025.

The Application consisted of the following documents:

December 6, 2024

Application for Water Licence
Application Representative
Baseline Shapefiles
Baseline Application SIG
Baseline Engagement Log
Baseline Impact Mitigations
Baseline Map Overview
Baseline Maps 1
Baseline Maps 2
Baseline Maps 3
Baseline Maps 4
Baseline Project Summary EN IN IQ
Closure & Reclamation Plan
Environmental Management Plan
Incorporation Certificate
Project Proposal
Spill Contingency Plan
Waste Management Plan
BAU NWB Authorization Letter for WKR
NPC Conformity Decision (150523)

February 18, 2025

NIRB - Screening Decision Report (24YN049)

On **February 18, 2025**, the NWB concluded that the Application generally met the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA or Act)* and forwarded notice of the Application to interested parties. Parties were invited to make representations to the NWB within three (3) weeks by **March 11, 2025**.

By the deadline for comments, submissions were received from the Kitikmeot Inuit Association (KIA), Crown-Indigenous Relations and Northern Affairs Canada (CIRNA), Environment and Climate Change Canada (ECCC) and the Department of Fisheries and Oceans (DFO). In their submission ECCC stated that they had no comments at this time.

The Applicant responded to comments on March 12, 2025. By March 28, 2025, all Intervenors confirmed that their concerns were resolved by the Applicant's responses. On April 3, 2025, WKR submitted three updated management plans with recommendations received during the review of Application.

The NWB has placed in its Public Registry copies of the Application and all comments received from Intervenors. This information can be accessed on the NWB's FTP site using the following link:

<https://public.nwb-oen.ca/registry/8%20MISCELLANEOUS/8B/8BD%20-%20Drilling/8BD-GBR2530%20West%20Kitikmeot%20Resources/>

III. FILE HISTORY

According to information included on the NWB's Public Registry, no licences have been issued by the Nunavut Water Board (NWB or Board) to West Kitikmeot Resources Corp. for the Grays Bay Road and Port, Field Research Project in the past for this particular Undertaking classified as "Other" as per *Nunavut Waters Regulations (Regulations)*.

IV. GENERAL CONSIDERATIONS

The following sections provide background information relevant to the terms and conditions included in this Licence, in the context of submissions received and/or the Board's rationale.

Term of the Licence

In accordance with s. 45 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA or Act)*, the NWB may issue a licence for a term not exceeding twenty-five (25) years. In determining an appropriate term for a renewal licence, the Board generally takes into consideration several factors including interveners' comments, the Licensee's compliance history, as well as the rationale contained in the application.

The Licensee requested in their Application, a ten (10) year term for the licence, with a proposed expiry date in February 2035. In the Application, WKR stated that this project is proposed to be complete by the end of 2029. The ten-year term was requested to accommodate any possible changes in schedule. The Intervenors in their submissions did not comment on the term requested.

The Board understands that WKR will be using the Ulu Camp as accommodation for their personnel for the duration of this project. The Ulu camp is owned by Blue Star Gold Corp. (BSG), under the Water Licence 2BM-ULU2030, which expires on May 12, 2030.

The Board, in examining the requirements of the licensee, felt that a five-year term was more appropriate. The Board has therefore granted a five-year term for the Licensee. In so doing, the Board believes and expects that the term of Licence will provide the Licensee with enough time to complete their Project.

Annual Reports

Under Part B, Item 1 of the Licence, the Licensee is required to submit Annual Reports for the purpose of ensuring that the NWB has an accurate annual update of activities related to Water use and deposit of Waste during each calendar year. This information is maintained on the Public Registry and is available to interested parties upon request. A “Standardized Form for Annual Reporting” is to be used by the Licensee and is available from the NWB FTP site under the Public Registry link:

[ftp://ftp.nwb-oen.ca/other documents/Standardized Forms/](ftp://ftp.nwb-oen.ca/other%20documents/Standardized%20Forms/)

Water Use

In the Application, WKR requested water use of up to 299 cubic metres (m³) per day. No concerns were expressed by the Interveners with respect to the amount of water requested.

The Board has authorized the Licensee to use a maximum of two hundred and ninety-nine (299) cubic metres of water per day as per Part C, Item 1 of the Licence. Water for drilling shall be obtained from local sources proximal to the drilling targets.

Camp

In the Application, WKR has stated that workers will reside in existing accommodation facilities belonging to Blue Star Gold Corp. (BSG) licensed under the existing Water Licence 2BM-ULU2030 (Ulu Gold Project). The Licensee submitted an authorization letter from Blue Star Gold Corp. (BSG) dated February 5, 2025, stating that West Kitikmeot Resource Corporation (WKR) is authorized to use the Ulu Camp facility for camp water use and waste disposal under BSG's existing water license.

The Licensee has also stated that no permanent infrastructure is being installed to support this program.

Waste Disposal

The Licensee will be using BSG's existing accommodation facilities licensed under the existing Water Licence 2BM-ULU2030. WKR will manage all the waste generated during camp activities according to the approved “*Waste Management Plan, Ulu Gold Project*”, dated March 2020.

All waste generated during field activities will be managed according to the plan titled “*Grays Bay Road and Port Project, Waste Management Plan, Version 1.1*”, dated March 31, 2025.

All combustible waste will be incinerated in accordance with the Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste and the Canada-Wide Standards (CWS) for Dioxins and Furans by the Canadian Council of Ministers of the Environment (CCME). Any residual waste (ash) will be placed in sealed containers and backhauled to an accredited facility for proper disposal.

Non-combustible waste, including bulky items/scrap metal, waste oil or hazardous waste, contaminated soil/water and empty barrels / fuel drums will be sealed in appropriate containers and backhauled for disposal at an approved facility. All hazardous waste, oils, contaminated soil and water shall be stored in sealed containers and shipped to an approved facility for disposal.

The Licensee has submitted the updated plan titled “*Grays Bay Road and Port Project, Waste Management Plan, Version 1.1*”, dated March 31, 2025. This plan was updated during the review of the Application, and is being approved by the Board with the issuance of the Licence.

Part D of the Licence contains general conditions for waste management.

Monitoring Plan

Part J of the Licence details the environmental monitoring requirements. It should also be noted that additional sampling may be imposed by the Inspector.

Management Plans and Related Information

The following Management Plans submitted as part of the Application package are approved by the NWB with the issuance of this Water Licence:

- *Grays Bay Road and Port Project, Waste Management Plan, Version 1.1*”, dated March 31, 2025;
- *Grays Bay Road and Port Project, Spill Contingency Plan, Version 1.2”* dated March 31, 2025;
- *Grays Bay Road and Port Project, Closure & Reclamation Plan”* dated October 15, 2025.

The Board also appreciates submission of the Plan entitled “*Grays Bay Road and Port Project, Environmental Management Plan, Version 1.1*” dated March 31, 2025, which was updated with the Interveners’ recommendations and submitted on April 3, 2025.

The Board reminds the Licensee of the condition in Part B, Item 5 requiring the Licensee to review the Plans approved in the Licence as required by changes in operation and/or technology, and to modify the Plans accordingly for inclusion with the Annual Report.

Summary of comments

Kitikmeot Inuit Association (KIA) March 10, 2025:

1. KIA recommends a clear communication strategy to inform Inuit about the sampling process, including what, when, and why samples are collected. This will ensure transparency and prevent misunderstandings regarding West Kitikmeot Resources Corp’s research activities.

WKR response: WKR regularly engages with Kitikmeot Inuit, including the KIA, hunters

and trappers organizations, and the public, following its Kitikmeot Communities Engagement Plan. Information on sampling activities has been shared during 2024 community sessions, and WKR is open to providing further details as needed.

2. KIA requests effluent discharge criteria and designated discharge locations for waste management.

WKR response: WKR's Waste Management Plan allows only precipitation accumulated in fuel cache berms to be discharged. This water is treated with an activated carbon filter, tested, and discharged to land if it meets the 15 mg/L oil and grease limit per environmental regulations. Non-compliant filtrate is transferred offsite for proper treatment and disposal.

3. KIA requests details on procedures for assessing the capacity of watercourses along the route and determining appropriate pumping rates and volumes for specified water bodies.

WKR response: WKR will only use seawater for its 2025 research program, as drilling is limited to the port area. If future geotechnical drilling requires freshwater withdrawals, WKR will follow engagement procedures with KIA and limit withdrawals to no more than 10% of a watercourse's available volume, determined by measurement or conservative modeling. Pumping rates will be low and protective of fish.

4. KIA indicated that they may conduct inspections of drill sites, seasonal closures, waste storage areas, and camps to identify and address any environmental impacts.

WKR response: WKR welcomes inspectors at its permitted work areas and will conduct activities per its approved plans and authorizations. It notes that a camp is not included in this application as they will be using the camp approved under the licence 2BM-ULU2030.

Crown-Indigenous Relations and Northern Affairs (CIRNA) February 26, 2025:

1. CIRNA recommends that WKR consider submitting a fuel management plan to the Nunavut Water Board for review in future years.

WKR response: WKR acknowledges CIRNA's recommendation and is open to submitting one if fuel volumes or container sizes increase, requiring an amendment to the Water Licence. For now, WKR believes its Spill Contingency Plan, licence conditions, and ongoing dialogue with the Inspector provide sufficient oversight.

2. CIRNA recommends that the applicant confirm that no materials will be stored for within 31 meters of the normal high water mark of a water body nor on ice.

WKR response: WKR confirmed that no materials will be stored within 31 meters of the normal high-water mark of a water body or on ice.

3. CIRNA recommends WKR confirm the proposed locations for building an ice strip and ice pad.

WKR response: WKR has no plans to build an ice strip or ice pad in 2025. If needed in the future, WKR will consult with the Inspector on proposed locations before construction.

4. CIRNA recommends that WKR not open burn any materials.

WKR response: WKR agrees not to open burn materials as a general practice but seeks flexibility to do so on a case-by-case basis with prior approval from the Inspector. WKR will update the Waste Management Plan before the program starts.

5. CIRNA requests confirmation that various materials, including lubricants, greases, coolants, waste oil, drill additives, and hazardous waste, will be stored in secondary containment before proper off-site disposal.

WKR response: WKR confirmed that these items will be kept within secondary containment prior to disposal offsite.

6. CIRNA recommends that WKR include details in the Waste Management Plan about the incinerator's make and model, how different types of waste will be sorted and stored, and the location of these activities.

WKR response: WKR confirmed that incineration is not part of the licence scope and refers to waste management at existing authorized facilities like Ulu Camp. WKR committed to update the Environmental Management Plan for clarity, prior to commencing the field program.

7. CIRNA recommends including an ice auger and chain saws in their spill kits when drilling on ice, to ensure that their response to a spill on ice is not delayed.

WKR response: WKR agreed to include an ice auger and chain saws in their spill kits when drilling on ice, to ensure that their response to a spill on ice is not delayed.

Fisheries and Oceans Canada (DFO) February 28, 2025:

1. DFO recommended that WKR follow their 2010 Protocol for Winter Water Withdrawal for lakes and the Ecological Flow Framework for watercourses, ensuring withdrawal rates stay below 10% of instantaneous flow and do not reduce flows below 30% of mean annual discharge (MAD).

WKR response: WKR agreed to follow DFO's Winter Water Withdrawal Protocol for lakes and the Ecological Flow Framework for watercourses, ensuring withdrawals remain below 10% of instantaneous flow and do not reduce flows below 30% of mean annual discharge (MAD).

2. DFO recommended that WKR adhere to their Interim Code of Practice for end-of-pipe fish protection screens for water intakes with flow rates up to 0.15 m³/s or 150 L/s (litres/second).

WKR response: WKR agreed to adhere to DFO's Interim code of practice: End-of-pipe fish protection screens for small water intakes.

3. DFO recommended that WKR follow DFO's protective measures for fish and fish habitat and standard codes of practice which can be found on DFO's website and respect the Nunavut in-water works restricted activity timing windows. If the project proposal meets the criteria for a site-specific review, DFO also suggested that WKR submit a request for review. DFO reminded the Applicant that they should notify DFO if they have caused, or are about to cause, the death of fish by means other than fishing and/or the harmful alteration, disruption or destruction of fish habitat.

WKR response: WKR agreed to follow DFO's recommendations. WKR also mentioned that they discussed the proposed scope of work with DFO, and it was determined that a site-specific review is not required at this stage.



NUNAVUT WATER BOARD WATER LICENCE

Licence No: 8BD-GBR2530

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

WEST KITIKMEOT RESOURCES CORP.

(Licensee)

P.O. BOX 6, 30B MITIK ST, CAMBRIDGE BAY, NU, X0B 0C0

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use Water and/or dispose of Waste for a period subject to restrictions and conditions contained within this Licence:

Licence Number/Type: 8BD-GBR2530 TYPE B

Water Management Area: CORONATION GULF (29) & QUEEN MAUD GULF (30) WATERSHEDS

Location: KITIKMEOT REGION, NUNAVUT

Classification: OTHER UNDERTAKING (DRILLING)

Purpose: USE OF WATER AND DEPOSIT OF WASTE

**Quantity of Water Use
Not to Exceed:** TWO HUNDRED AND NINETY-NINE (299) CUBIC METERS PER DAY

Date of Licence Issuance: APRIL 17, 2025

Expiry of Licence: APRIL 16, 2030

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

**Lootie Toomasie,
Nunavut Water Board, Chair**

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the use of Water and deposit of Waste for an undertaking classified as Other as per Schedule 1 of the *Regulations*, for the Grays Bay Road and Port, Field Research Project, located within the Kitikmeot Region of 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

In this Licence: **8BD-GBR2530**

“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 Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

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

“**Engineer**” means a professional engineer registered to practice in Nunavut in accordance with the *Consolidation of Engineers and Geoscientists Act S. Nu 2008, c.2* and the *Engineering and Geoscience Professions Act S.N.W.T. 2006, c.16 Amended by S.N.W.T. 2009, c.12*;

“**Erosion**” means a process by which surface soil and rock is loosened, dissolved or worn away and moved from one place to another, usually by wind or Water;

“**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;

“**High Water Mark**” means the usual or average level to which a body of Water rises at its highest point and remains for sufficient time so as to change the characteristics of the land (ref. Department of Fisheries and Oceans Canada, Operational Statement: Mineral Exploration Activities);

“**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;

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

“**Nunavut Agreement**” 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 *Nunavut Waters Regulations SOR/2013-69 18th April, 2013*;

“**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 or Sumps” means a structure or depression that collects, controls, and filters liquid waste before it is released to the environment. This structure should be designed to prevent erosion while allowing percolation of liquid 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;

“Water” or “Waters” means Waters as defined in section 4 of the *Act*.

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 Licensee shall file an Annual Report on the Appurtenant Undertaking with the Board no later than March 31 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. Summary report of all construction and drilling activities including photographic records before, during and after completion;
 - c. A list of unauthorized discharges and a summary of follow-up actions taken;
 - d. Any revisions to the Spill Contingency Plan and any other Plans associated with this Licence, as required by Part B, Item 5, submitted in the form of an Addendum;
 - e. Report all artesian flow occurrences as required under Part F, Item 3;
 - f. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;

- g. A summary of all information requested and results of the Monitoring Program; and
- h. Any other details on Water use and Waste disposal requested by the Board by November 1 of the year being reported.

2. The Licensee shall notify the NWB of any changes in operating plans or conditions associated with the Project at least thirty (30) days prior to any such change.
3. 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.
4. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
5. 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 shall be submitted in the form of an Addendum to be included with the Annual Report.
6. 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 shall become part of this Licence. All terms and conditions of the Licence should be contemplated in the development of a Plan where appropriate.
7. 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@nwb-oen.ca

(b) Inspector Contact:

Manager of Field Operations, CIRNA (known previously as CIRNAC)
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4284
Fax: (867) 979-6445

8. The water use fees, for the right to use Waters shall be paid annually in accordance with Section 12 of the *Regulations*.
9. The Licensee shall submit 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.
10. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the NWB is received and acknowledged by the Manager of Licensing.
11. This Licence is assignable as provided for in Section 44 of the *Act*.
12. The expiry or cancellation of this Licence does not relieve the Licensee from any obligation imposed by the Licence, or any other regulatory requirement.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all Water for drilling purposes from local Water source(s), proximal to the drilling targets as outlined in the Application. The total volume of Water withdrawn from freshwater sources for all purposes under this Licence shall not exceed two hundred and ninety-nine (299) cubic metres per day.
2. The use of Water from streams or any water bodies not identified in Part C, Item 1 is prohibited unless authorized and approved by the Board in writing.
3. The Licensee shall submit to the Board for approval in writing, at least thirty (30) days prior to the use of Water of a sufficient volume that the source water body may be drawn down, the following information: volume required, a hydrological overview of the water body, details of impacts, and proposed mitigation measures.
4. The withdrawal of Water from any stream shall not exceed ten (10) per cent of the low flow of that stream unless approved by the Board in writing.
5. 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.
6. The Licensee shall not remove any material from below the ordinary High Water Mark of any water body unless authorized.
7. The Licensee shall not cause erosion to the banks of any water body and shall provide necessary controls to prevent such erosion.
8. Sediment and erosion control measures shall be implemented prior to and maintained during the undertaking 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 Board has approved the Plan entitled *Grays Bay Road and Port Project, Waste Management Plan, Version 1.1*” dated March 31, 2025, that was submitted as additional information with the Application.
3. The Licensee shall not practice on-site land filling of domestic Waste, unless otherwise approved by the Board in writing.
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 backhaul and dispose of all hazardous Wastes, waste oil and non-combustible Waste generated through the course of the operation at a licensed waste disposal site.
6. The Licensee shall provide to the Board, documented authorization from all communities in Nunavut receiving Wastes from the Grays Bay Road and Port, Field Research Project prior to the backhauling and disposal of wastes to those communities.
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 contain 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 use incineration, 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.
10. All Effluent discharged from the fuel storage facilities, or fuel caches, shall not exceed the following Effluent quality limits:

Parameter	Maximum Concentration of any Grab Sample (µg/L)
Benzene	370
Ethylbenzene	90
Toluene	2
Lead	1
Oil and Grease	15,000 and no visible sheen

PART E: CONDITIONS APPLYING TO CAMPS, ACCESS INFRASTRUCTURE AND OPERATIONS

1. Camp activities are not authorized under the provisions of this Licence.
2. The Licensee shall conduct all activities 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. The Licensee shall not store material on the surface of frozen streams or lakes, including the immediate banks, except what is for immediate use.
4. The Licensee shall construct all winter lake and stream crossings, including ice bridges, entirely of Water, ice or snow. The Licensee shall minimize disturbance by locating ice bridges in an area that requires the minimum approach grading and the shortest crossing route. Stream crossings shall be removed or the ice notched prior to spring break-up.
5. The Licensee will ensure that all stream crossings are at a minimum of five hundred (500) meters from spawning areas.
6. The Licensee shall not mobilize heavy equipment or vehicles for drilling or other activities unless the ground surface is capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles shall be suspended if rutting occurs.
7. Sediment and erosion control measures must be used to mitigate the deposition of debris and sediment into or onto any water body during the project activities.

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. Licensee shall dispose of all drill waste, including Water, chips, muds and salts (CaCl₂) in any quantity or concentration, 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.
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.

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 Licensee shall implement the Plan entitled “*Grays Bay Road and Port Project, Spill Contingency Plan, Version 1.2*” dated March 31, 2025, that was submitted during the Application and is approved by the Board with the issuance of the Licence.
2. The Licensee shall prevent any chemicals, petroleum products or Wastes associated with the Project from entering Water. 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.

3. The Licensee shall conduct any equipment maintenance and servicing in designated areas and shall implement special procedures (such as the use of drip pans) to manage motor fluids and other waste and contain potential spills.
4. 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 approved Spill Contingency Plan;
 - b. Report the spill immediately to the NWT/NU 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4284; 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.
5. The Licensee shall, in addition to Part H, Item 4, regardless of the quantity of releases of harmful substances, report to the NWT/NU 24-Hour Spill Line, if the release is near or into a Water body.

PART I: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION

1. The Licensee shall implement the Plan entitled “*Grays Bay Road and Port Project, Closure & Reclamation Plan*” dated October 15, 2024, that was submitted with the Application and is approved by the Board with the issuance of the Licence.
2. The Licensee shall complete all restoration work prior to the expiry of this Licence.
3. The Licensee shall carry out progressive reclamation of any components of the Project no longer required for the Licensee’s operations.
4. The Licensee shall backfill and restore all sumps, sewage / wash-water pits to the pre-existing natural contours of the land.
5. 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.
6. All roads and airstrip, if any, shall be re-graded to match natural contour to reduce erosion.
7. The Licensee shall remove any culverts and restore the drainage to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.

8. 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.
9. The Licensee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the drilling. The restoration of drill holes must include the removal of any drill casing materials and if having encountered artesian flow, the capping of holes with a permanent seal. Where drill casings cannot be removed, the Licensee shall cut off the casings at ground level and identify with signage.
10. The Licensee may leave the casings on site, if it intends to continue drilling in existing casings, but shall add signaling to keep the area safe for the other territory users. The drill casings will not stay on the field for more than 2 years after the drilling.
11. 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.
12. 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, 2010. 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.
13. The Licensee shall contour and stabilize all disturbed areas to a pre-disturbed state upon completion of work.

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 drilling and related 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 drilling operations are deposited.
4. The Licensee shall include in the Annual Report required under Part B, Item 1 all data, monitoring results, and information required by this Part.

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. Additional monitoring requirements may be requested by the Inspector and NWB.
8. Modifications to the Monitoring Program may be made only upon written request and subsequent approval of the Board in writing.