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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **8BC-AEA1525**

November 9, 2015

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Email: ryan.vanengen@agnicoeagle.com

RE: NWB Licence No. 8BC-AEA1525

Dear Mr. Robert and Mr. Vanengen:

Please find attached Licence No. **8BC-AEA1525** issued to Agnico-Eagle Mines Ltd. by the Nunavut Water Board (the NWB or the 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 Land Claims Agreement or NLCA)*. 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 Land Claims 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 interest, to hold a public hearing. The Licensee should submit applications for amendment as soon as possible to give the NWB sufficient time to go through the amendment process. The process and timing may vary depending on the scope of the amendment; however, a minimum of sixty (60) days is required from time of acceptance by the NWB. It is the responsibility of the Licensee to ensure that all application materials have been received and are acknowledged by the Manager of Licensing.

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

Sincerely,

Lootie Toomasie
Nunavut Water Board
Vice Chair

LT/kk/pb

Enclosure: Licence No. **8BC-AEA1525**
Comments – AANDC and EC

Cc: Kivalliq Distribution List

¹ Aboriginal Affairs and Northern Development Canada (AANDC), May 19, 2015; Environment Canada (EC), May 13, 2015.

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DECISION

LICENCE NUMBER: 8BC-AEA1525

This is the decision of the Nunavut Water Board (NWB) with respect to an application for a new Water Licence application dated March 16, 2015 made by:

AGNICO-EAGLE MINES LTD.

to allow for the use of water and disposal of waste during the construction, operation, and eventual decommissioning of the proposed Amaruq Exploration Access Road, located within the Kivalliq Region, Nunavut, generally at the following geographical coordinates:

Southeast Terminus of Road: Latitude: 65° 04' 53.3" N Longitude: 96° 01' 00.8" W
Northwest Terminus of Road: Latitude: 65° 23' 49.7" N Longitude: 96° 40' 35.8" W

DECISION

After having been satisfied that the application was in conformity with the Keewatin Regional Land Use Plan (KRLUP)¹ as determined by the Nunavut Planning Commission (NPC) subject to the terms and conditions recommended in the November 4, 2015 Screening Decision Report No. 11EN010 by the Nunavut Impact Review Board² in accordance with s. 12.4.4(a) of 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* (NWNSTRA) and Article 13 of the *NLCA*, public notice of the application was given and interested persons were invited to make representations to the NWB.

After reviewing the submission of the Applicant and considering the representations made by interested 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 *NWNSTRA*, waived the requirement to hold a public hearing, and determined that:

Licence No. 8BC-AEA1525 be issued subject to the terms and conditions contained therein. (Motion #: 2015-B1-035)

SIGNED this 9th day of November 2015 at Gjoa Haven, NU.

Lootie Toomasie
Nunavut Water Board, Vice Chair

LT/kk/pb

¹NPC Conformity Determination, dated July 17, 2015.

²Nunavut Impact Review Board (NIRB) Screening Decision Report, dated November 4, 2015.

I. BACKGROUND

On March 16, 2015, the Nunavut Water Board (NWB or Board) received a water licence application from Agnico Eagle Mines Ltd. (AEM or the Applicant) seeking the Board's permission to construct, operate, and eventually decommission a single-lane, gravel surfaced access road linking the Amaruq exploration project site to the Meadowbank Mine site both of which are currently operated by AEM. The Amaruq Exploration Property (formerly the 'IVR project'), which supports an exploration camp site under the Licence 2BE-MEA1318, is located in Nunavut approximately 150 km north of Baker Lake and 50 km northwest of the existing Meadowbank Mine site currently operating under the Licence 2AM-MEA0815. The Amaruq Exploration Access Road (AEAR or Road) is intended to facilitate safe, efficient, economical and year-round operations, including, the transport of fuel, equipment and personnel in support of ongoing exploration, camp operations, future exploration ramp decline and environmental baseline data collection. AEM also mentioned that it hopes eventually transition to Amaruq property if feasible and once the reserves at Meadowbank Mine are depleted. This could be the ultimate reason for the Road.

The proposed single-lane Road will be located on the border of the Thelon River and Back River, and within the Quich Watershed. The Road is expected to be 62.5 km long and 6.5 m wide and will include three (3) bridges, nine (9) open-bottom arch culverts, twenty-eight (28) corrugated round culverts to pass watercourse crossings and many (approx. 153) localized drainage culverts to prevent erosion, reduce thaw susceptibility and washouts of the Road during freshet. There will be seven (7) borrow areas and six (6) short spur roads off the main access to access borrow pits located on eskers proximal to the Road. The Vault Pit that is developed as a part of Meadowbank Mine will be used as a quarry. To accommodate the two-way traffic on the Road, pullouts will be spaced approximately every 400 ± 50 m on one side of the Road.

II. PROCEDURAL HISTORY

On April 1, 2015, the NWB acknowledged receipt of a water licence application for the construction, operation, and decommission of a single-lane, gravel-surfaced, access road, linking the Amaruq exploration project site to the Meadowbank Mine site: the Amaruq Exploration Access Road (AEAR or Road). The application consisted of the following documents:

- Cover Letter with Water Use Fees, dated March 16, 2015;
- Amaruq Exploration Access Road Concordance Assessment to NWB Supplemental Information Guidelines (SIG) form, dated March 16, 2015;
- Amaruq Exploration Access Road Conceptual Closure and Reclamation Plan, dated February 2015;
- Amaruq Exploration Access Road Emergency Response and Spill Contingency Plan, dated March 2015;
- Application for a Type B Licence to Construct the Amaruq Exploration Access Road Main Application Document, dated March 2015;
- Amaruq Exploration Access Road - Road Management Plan, dated march 2015;
- Type B Water Licence Application with a Cover Letter, dated March 16, 2015; and

- E-mail Cover Letter, dated March 17, 2015

After the NWB's initial technical review of submitted information, on April 16, 2015, a notice of the application was posted and a thirty (30) day public review period commenced. Submissions were received from Environment Canada (EC) on May 13, 2015 and from Aboriginal Affairs and Northern Development (AANDC) on May 19, 2015.

On July 17, 2015, the Nunavut Planning Commission (NPC) indicated that the Application conforms to the Keewatin Regional Land Use Plan (KRLUP). On November 4, 2015, the Nunavut Impact Review Board (NIRB) reissued the recommended project-specific terms and conditions contained in the *February 10, 2015* Screening Decision, NIRB File No.: 11EN010 in addition to new terms and conditions, designed to mitigate any potential impacts to the environment as per Section 12.4.4(a) of the NLCA.

Based on a thorough and detailed assessment of the application and supporting information, the Board approved the application and has decided to issue Water Licence No. 8BC-AEA1525 to the Project.

III. GENERAL CONSIDERATIONS

The following section outlines the issues identified by the NWB and raised by interested parties as well as provides the background on the terms and conditions included within the body of the Licence.

Term of 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 (25) years. In determining an appropriate term of a water licence, the Board considers a number of factors including, but not limited to, the results of AANDC site inspections and the corresponding compliance record of the Applicant, as well as intervenor comments provided during the application review process. As this is a new Licence there no compliance history for this Licence.

In reviewing intervenor's comments received on the subject of the licence term, the NWB noted that no concerns were expressed with respect to the ten (10) year licence term requested by the Applicant.

AANDC in its submission stated that "provided that there will be opportunities to revisit reclamation cost estimates and water licence reclamation security requirements throughout the licence term, it is reasonable to issue a 10 year water licence for the construction, operation, and eventual closure of the Amaruq Exploration Access Road".

In reviewing the term requested for the Licence in the context of the overall scope of the project and factors mentioned above, the NWB determined that the term is appropriate that it will allow the Licensee to properly carry all phases of the of the project, the construction, operation, and eventual closure of the Road. Accordingly, the NWB has granted the approximately ten (10) year term requested by the Applicant, commencing November 9, 2015 and expiring December 31, 2025.

Annual Reporting

The NWB has imposed on the Licensee, the requirement to produce an Annual Report. These Reports are for the purpose of ensuring that the NWB has an accurate annual update of the Licensee's activities related to water use and waste disposal during a calendar year. This information is maintained on the Public Register 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 file transfer protocol (FTP) site under the Public Registry link at

<ftp://ftp.nwb-oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/>

This form provides the basis for annual reporting and format, however, individual licenses with project specific reporting requirements may need to provide information in addition to that of required on the standard form.

Security

In accordance with s. 76(1) of the NWNSRTA, the Board may require a licensee to furnish and maintain security with the Minister, in a form determined by the Regulations or satisfactory to the Minister¹. Further, in a matter related to the posting of security, the Board may not issue a licence unless the Board is satisfied that the financial responsibility of the applicant, taking into account the applicant's past performance, is adequate for the mitigation measures and any costs associated with the closing or abandonment of the undertaking².

AEM provided an estimate of financial liability associated with decommissioning and reclamation of the proposed Amaruq road in the document entitled "Amaruq Exploration Access Road Conceptual Closure and Reclamation Plan" dated February 2015.

The Board has reviewed the activities considered under the application in the context of the financial liability estimate provided by the Applicant as well as gave due consideration to AANDC comments provided with this respect. While the Board believes that there will be opportunities to revisit reclamation cost estimate throughout the Licence term, the Board accepts the amount proposed as being within reason for the activities indicated.

The Board has included condition under Part B, Item 1 in the Licence requiring the Licensee to furnish and maintain financial security in the amount of one million six hundred ninety-four thousand dollars (\$1,694,000), in the form that is satisfactory to the Minister within thirty (30) days from the date of issuance of this Licence.

¹ Subsection 76(1) of the NWNSRTA states: 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 in an amount prescribed by, or determined in accordance with, the regulations or that is satisfactory to the Minister.

² See subsection 57(b) of the NWNSRTA.

Water Use

AEM stated in its Application that water may be required for “dust suppression for access road construction and during operation of the access road”. Although 299 cubic meters of freshwater *per* day is the estimated quantity of water that may be used, the Applicant states that

“given Agnico Eagles past experience in road operation in the region it is unlikely that 299 m³/day will be required for daily use. Use will only take place during the summer. Exact location of extraction will vary as construction of the road progresses and will depend on operations. The Application states also that Pipe Dream Lake and Innugayualik Lake are located approximately mid-way along the exploration access road and have sufficient volume to support water extraction for dust suppression purposes”.

No concerns were expressed by interveners in their submissions with respect to the quantity of freshwater requested by the Applicant, or method(s) used to withdraw the water or the purposes for which the water will be used.

The Board recognizes that water use for dust suppression is a seasonal activity taking place during the summer and believes that no adverse impacts on water quality and quantity are anticipated as a result of the project. Therefore the Licence will permit to use up to 299 cubic metres freshwater *per* day for the purpose of dust suppression, during the summer in advance of periods of heavy use of road or for dust suppression. The Licensee is authorized to extract water from the above-stated lakes, and if needed, from various locations, lakes and ponds just off the road as indicated in the Application. The Licensee shall employ accurate means of measuring water volumes from any water sources as per Part I, Item 2.

Waste Disposal

The Applicant stated that Road Wastes including miscellaneous Solid wastes and waste oil will be returned to an existing Agnico-Eagle camp facility, and that any contaminated soil generated by the project will be disposed of and treated at the Meadowbank landfarm.

In accordance with Part D, Item 2 the Licensee is not authorized to practice on-site land filling of domestic waste, unless otherwise approved by the Board in writing.

Construction and Operation

The Applicant submitted within the Application a document entitled “Road Management Plan Amaruq Exploration Access Road” (RMP or Plan), dated March 2015, to cover the Road’s construction, operation and closure phases. The RMP presents mitigation measures and protocols to be implemented during construction and operations to protect wild-life, prevent permafrost degradation, control surface run-off and sedimentation.

The Plan also indicates that granular materials will be used from the existing Vault pit and from 7 borrow sites from nearby eskers. The Road Management Plan states that “the esker samples show no potential to generate acid drainage”. AEM indicates that there were exceedances (As,

Cu, Pb) of *Canadian Environmental Quality Guidelines (CEQG) for the Protection of Aquatic Life* for some samples. AEM states also that they are not expected to be a concern to receiving water quality.

However, “to confirm that best available road building materials are being used in constructing the road, additional samples will be collected during the construction. Additionally, water quality monitoring will be carried out in confirming that the road materials are not negatively impacting nearby water bodies”.

AEM states that “Vault waste rock has variable ARD potential and non-PAG material will be targeted for construction use”. The analysis determined that, “...total sulphur content <0.2% is recommended as an appropriate criterion for selecting non potential acid generating Vault material for use in road construction.”

With the issuance of the Licence the Board has approved the Road Management Plan. The Board highlights that quarrying and borrowing shall be in accordance with all applicable legislation and industry standards including the *Northern Land Use Guidelines, Pits and Quarries* (INAC, 2010).

Under Part E, Item 3 the Licensee shall ensure that all fill material used during construction is from an approved source and shall be free of contaminants and not possessing potentially acid generating and metal leaching properties.

The Application stated in the Main Application Document that “based on construction surveys and stream assessments carried out by Agnico Eagle, Agnico Eagle believes that none of the rivers along the proposed exploration access road route will be considered navigable under the Navigable Waters Protection Act. This will be confirmed by Transport Canada”.

The Applicant is reminded that all relevant regulations including DFO Operational Statements (i.e., bridge maintenance, clear span bridges, culvert maintenance, and ice-bridge) for protecting fish and fish habitat in constructing and operating the proposed crossings must be followed.

The Licensee is required to submit to the Board for review for-construction drawings, stamped by an engineer, for all facilities designed to divert, withhold or contain water and waste at least sixty (60) days prior to construction of the Amaruq Exploration Access Road.

The Licensee is also required to submit to the NWB for review a Construction Summary Report, within ninety (90) days of completion of the construction of the Amaruq Exploration Access Road, including stamped as-built plans and drawings, and explanation on any deviations from design and construction drawings taking into account construction and field decisions and how they may affect the performance of the engineered facilities.

Spill Contingency Plan

As part of the Application, the Licensee submitted a Plan entitled “Emergency Response and Spill Contingency Plan” (ERSC Plan or Plan), dated March 2015. The Board has approved the

Plan with the issuance of the Licence.

However, it was noticed that some contact information related specifically to the Internal Emergency Response require updating (AANDC Field Operations). The Licensee is required to update the Plan accordingly and to submit it within the 2015 Annual Report. The requirement for this submission is detailed under Part G, Item 2.

As with revisions to all Plans, the Board recommends that a table be included with the Plan that documents the date, purpose and page(s) of the revisions.

Closure and Reclamation Plan

AEM submitted a Plan entitled “Conceptual Closure and Reclamation Plan Amaruq Exploration Access Road” (CCR Plan or Plan) dated February 2015 as part of the licence application. The Plan includes an Estimate of Reclamation Liability.

In its comment, AANDC stated that this Plan is “considered to belong to the first of three phases in closure plan development as described in AANDC’s 2007 Mine Site Reclamation Guidelines for the Northwest Territories:

- Preliminary Closure and Reclamation Plan;
- Interim Closure and Reclamation Plan; and
- Final Closure and Reclamation Plan

AANDC recommends that an “Interim Closure and Reclamation Plan be submitted to the NWB for approval within two to three years of licence issuance. This plan should be revised whenever there is a change to the project design or no later than every five years. A Final Closure and Reclamation Plan should be submitted to the NWB for approval at least one year prior to the project’s closure”. The Board concurs with AANDC recommendations.

AANDC also recommended that the licence include a term and condition that would allow for AEM’s reclamation cost estimate to be assessed prior to the access road’s commissioning.

The Board has approved the CCR Plan under Part H, Item 1 of the Licence. However, the Licensee is required to submit an Interim Closure and Reclamation Plan within ninety (90) days of the completion of the construction of the Road to include all changes to the project designs. An updated Estimate of Reclamation Liability or Reclamation Cost Estimate shall be included within the Interim Closure and Reclamation Plan.

The Board has also included a requirement under Part H, Item 3 of the Licence, for the submission of a Final Closure and Reclamation Plan for Board’s approval at least one (1) year prior to the Expiry of the Licence or the initiation of closure and reclamation activities for the road.

Monitoring

The Licensee shall carry out regular inspections of the road and complete associated monitoring to ensure that the road is constructed / maintained for safe travel of personnel, equipment and

supplies without adverse impact on surrounding water bodies. The requirements for monitoring are detailed under Part I.



NUNAVUT WATER BOARD WATER LICENCE

Licence No. 8BC-AEA1525

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)

10200, ROUTE DE PREISSAC,
ROUYN-NOURANDA, QUEBEC, J0Y 1C0

(Mailing Address)

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

Licence Number/Type: 8BC-AEA1525 TYPE "B"

Water Management Area: THELON, QUOICH & BACK WATERSHEDS (5, 9 & 31)

Location: AMARUQ EXPLORATION ACCESS ROAD
KIVALLIQ REGION, NUNAVUT

Classification: OTHER UNDERTAKING

Purpose: DIRECT WATER USE AND DEPOSIT OF WASTE

Quantity of Water use not
to Exceed: TWO HUNDRED AND NINETY NINE (299) CUBIC METRES
PER DAY

Effective Date of Licence
Issuance: NOVEMBER 9, 2015

Expiry of Licence: DECEMBER 31, 2025

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

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

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

1. Scope

This Licence allows for the construction, operation and decommissioning of a 62.5 km long by 6.5 m wide all-weather road between Meadowbank site and Amaruq Exploration site, including installation of water crossings (bridges, open bottomed arch culverts, and corrugated and localized drainage culverts), during an undertaking classified as Other as per Schedule I of the *Regulations* at the Amaruq Exploration Access Road (AEAR) Project, within the Kivalliq Region, Nunavut.

- a. This Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new Regulations are made or existing *Regulations* are amended by the Governor in Council under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements; and
- b. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

2. Definitions

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

“**Acid Rock Drainage**” means the production of acidic leachate, seepage or drainage from borrow pits, quarries, construction rock that can lead to the release of metals to groundwater or surface water during the life of the Project and beyond closure;

“**Addendum**” means the supplemental text that is added to a full plan or report usually included at the end of the document and is not intended to require a full resubmission of the revised report;

“**Amendment**” means a change to original terms and conditions of this Licence requiring correction, addition or deletion of specific terms and conditions of the Licence; modifications inconsistent with the terms of the set terms and conditions of the Licence;

“**Appurtenant Undertaking**” means an undertaking in relation to which a use of water or a deposit of waste is permitted by a licence issued by the Board;

“Board” means the Nunavut Water Board established under the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

“Borrow Pits” means sites for which materials, such as gravel or sand, are excavated for the purposes of constructing site infrastructure and facilities;

“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*;

“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;

“Metal Leaching” means the mobilization of metals into solution under neutral, acidic or alkaline conditions;

“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;

“Quarry or Quarries” means the areas of surface excavation for extracting rock material for use as construction materials in the development of infrastructure and facilities;

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

“Spill Contingency Plan” means a Plan developed to deal with unforeseen petroleum and hazardous materials events that may occur during the operations conducted under the Licence;

“Sump” means 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;

“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, within thirty (30) days of issuance of this Licence, furnish and maintain security with the Minister in the form that is satisfactory to the Minister in the amount of one million six hundred ninety-four thousand dollars (\$1,694,000).
2. Notwithstanding Part B, Item 1, the Licensee shall provide such further or other amounts as may be required by the Board based on annual estimates of current restoration liability.
3. The Licensee shall maintain the security deposit until such time as the Minister is satisfied that the Licensee has complied with all provisions of the approved Abandonment and Restoration Plan. This clause shall survive the expiry of the Licence.
4. The water use fees, payable to the Receiver General for Canada, shall be sent to the Board annually in advance of any use in accordance with section 12 of the *Regulations*.
5. The Licensee shall file an Annual Report on the appurtenant undertaking with the Board no later than the 31st of March of the year following the calendar year being reported,

containing the following information:

- a. A summary report of water use activities;
 - b. A summary of waste disposal activities;
 - c. A summary report of construction activities including photographic records before, during and after construction;
 - d. A list of unauthorized discharges and a summary of follow-up actions taken;
 - e. A list of seeps originating from borrow pits, water quality monitoring results, and measures taken to prevent the flow of seep water into nearby water bodies;
 - f. Results of annual geotechnical inspections of the road, including stream crossings and quarry and borrow areas, and descriptions measures taken to address inspection findings;
 - g. Any updates on reclamation cost estimate;
 - h. A summary of all information requested and results of the Monitoring Program;
 - i. Any updates or revisions to plans as required by changes in operation and/or technology;
 - j. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
 - k. A public consultation/participation report describing consultation with local organizations and the residents of the nearby communities;
 - l. An executive summary in English and Inuktitut of all plans, reports, or studies conducted under this Licence; and
 - m. Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
6. 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.
 7. The Licensee shall install flow meters or other such devices, or implement suitable methods required for the measuring of water volumes as required under Part I, Item 2.
 8. 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.
 9. The Licensee shall, for all Plans submitted under this Licence, implement the Plan as approved by the Board in writing.
 10. The Licensee shall review the Plans referred to in this Licence as required by changes in operation and/or technology and modify the Plans accordingly. Revisions to the Plans are to incorporate design changes and adaptive engineering required and implemented during Construction and on the basis of actual site conditions and monitoring results over the life of the project. Revisions to the Plans are to be submitted in the form of an

Addendum to be included with the Annual Report required by Part B, Item 5, complete with a revisions list detailing where significant content changes are made.

11. Every Plan to be carried out pursuant to the terms and conditions of this Licence shall become a part of this Licence, and any additional terms and conditions imposed upon approval of a Plan by the Board become part of this Licence. All terms and conditions of the Licence should be contemplated in the development of a Plan where appropriate.
12. 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, AANDC
Nunavut District, Nunavut Region
P.O. Box 100
Iqaluit, NU X0A 0H0
Telephone: (867) 975-4295
Fax: (867) 979-6445

13. 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.
14. 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.
15. This Licence is assignable as provided for in Section 44 of the *Act*.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all water for use in dust suppression from Pipe Dream Lake, Innugayualik Lake, ponded water (against the road), and ponds and lakes proximal to the road as indicated in the Application. The volume of water for the purposes of this Licence shall not exceed two hundred and ninety nine (299) cubic meters per day.
2. Streams not authorized under Part C, Item 1 cannot be used as a water source unless authorized and approved by the Board in writing.

3. If the Licensee requires water in sufficient volume that the source water body may be drawn down the Licensee shall, at least thirty (30) days prior to commencement of use of water, submit to the Board for approval in writing, the following: volume required, hydrological overview of the water body, details of impacts, and proposed mitigation measures.
4. The Licensee shall equip all water intake hoses with a screen of an appropriate mesh size to ensure that fish are not entrained and shall withdraw water at a rate such that fish do not become impinged on the screen.
5. The Licensee shall not remove any material from below the ordinary High Water Mark of any water body unless authorized by the Board in writing.
6. The Licensee shall not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
7. The Licensee shall implement sediment and erosion control measures prior to and maintain such measures 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 Licensee shall not practice on-site land filling of domestic waste, unless otherwise approved by the Board in writing.
3. The Licensee is authorized to dispose of all acceptable food waste, paper waste and untreated wood products in an incinerator.
4. The Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials of incomplete combustion and/or leachate from contaminated ash residual, from impacting any surrounding waters, unless otherwise approved by the Board in writing.
5. The Licensee shall backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation in an approved waste disposal site.
6. 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.

PART E: CONDITIONS APPLYING TO CONSTRUCTION AND OPERATIONS

1. The Board has approved, with the issuance of this Licence, the Plan entitled “Road Management Plan Amaruq Exploration Access Road,” (Version 1), March 2015 that was submitted as additional information with the Application.
2. The Licensee shall, at least sixty (60) days prior to construction, submit to the Board for review for-construction plans and drawings for the Amaruq Exploration Access Road and associated engineered infrastructures that are signed and stamped by Engineer.
3. The Licensee shall, within ninety (90) days of completion of construction of Amaruq Exploration Access Road, submit to the Board for review, a Construction Summary Report including as-built plans and drawings signed and stamped by Engineer, and detailed explanation reflecting any deviations from construction drawings taking into account construction and field decisions and how they may affect the performance of engineered facilities.
4. The Licensee shall ensure that all fill material used during construction/operation is from an approved source, be free of contaminants, not possessing acid generating and metal leaching properties.
5. All surface runoff during the construction and operation of Amaruq Exploration Access Road, where flow may directly or indirectly enter a Water body, shall not exceed the following Effluent quality limits:

Parameter	Maximum Average Concentration (mg/L)	Maximum Concentration of Any Grab Sample (mg/L)
Total Suspended Solids	50.0	100.0
Oil and Grease	No Visible Sheen	No Visible Sheen
pH	Between 6.0 and 9.5	Between 6.0 and 9.5

6. Work on the bridges shall cease if the downstream monitoring sample under Part I, Item 5 exceeds the upstream Total Suspended Solids concentration by twenty percent (20%).
7. All activities shall be conducted in such a way as to minimize impacts on surface drainage and the Licensee shall immediately undertake any corrective measures in the event of any impacts on surface drainage.
8. The Licensee shall locate stream crossings to minimize approach grades. Approaches shall be stabilized during construction and upon completion of the project, to control runoff, erosion and subsequent siltation to any water body.

9. The Licensee shall limit any in-stream activity to low water periods. In-stream activity is prohibited during fish migration.
10. The Licensee shall not cut any stream bank or remove any material from below the ordinary High Water Mark of any water body.
11. Sediment and erosion measures must be used to mitigate the deposition of debris and sediment into or onto any Water body during the construction and operation. These materials shall be disposed at a distance of at least thirty one (31) metres from the ordinary High Water Mark in such a fashion that they do not enter Water.
12. The Licensee shall maintain a minimum of thirty-one (31) metres large undisturbed buffer zone between the periphery of quarry sites and the ordinary High Water Mark of any water body. The Licensee shall not excavate and/or remove material from the quarry beyond a depth of one (1) metre above the ordinary High Water Mark or above the groundwater table, to prevent the contamination of groundwater.
13. Machinery is not permitted to travel up the stream bed and fording of any water body is to be kept to a minimum and limited to one area and a single activity of bridge construction/installation. Equipment used should be well cleaned and free of oil and grease and maintained free of fluid leaks.
14. The Licensee shall ensure that pollutants from machinery fording the crossings do not enter water.
15. Equipment storage holding areas should be located on gravel, sand or other durable land, a distance of at least thirty-one (31) metres above the ordinary High Water Mark of any water body in order to minimize impacts on surface drainage and water quality.
16. The Licensee shall designate an area for the deposition of excavated and stockpiled materials that is at least thirty-one (31) metres above the ordinary High Water Mark of any water body.
17. The Licensee shall not utilize any equipment or vehicles in the course of this undertaking unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles shall cease if rutting occurs.

PART F: 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. 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
 - d. the Board has not rejected the proposed Modifications.
2. Modifications for which all of the conditions referred to in Part F, Item 1 have not been met can be carried out only with written approval from the Board.
3. The Licensee shall provide to the Board 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.
4. The Licensee shall provide to the Board as-built plans and drawings of the bridge and water crossings within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.

PART G: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

1. The Board has approved with the issuance of this Licence, the Plan entitled “Emergency Response and Spill Contingency Plan Amaruq Exploration Access Road,” March 2015 that was submitted as additional information with the Application.
2. The Licensee shall submit within 2015 Annual Report, an Addendum to the Plan referred to in Part G, Item 1, in the format set out by the Consolidation of Spill Contingency Planning and Reporting Regulations R-068-93, to include, at a minimum, updated Internal and External Emergency Response Contact Information.
3. The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project do not enter 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.
4. The Licensee shall ensure 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 motor fluids and other waste and contain potential spills.
5. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - a. Employ the Spill Contingency Plan;
 - b. Report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to

the Inspector at (867) 975-4295; and

- c. For each spill occurrence, submit to the Inspector, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.

PART H: CONDITIONS APPLYING TO RECLAMATION AND CLOSURE

1. The Board has approved with the issuance of this Licence, the Plan entitled “Conceptual Closure and Reclamation Plan Amaruq Exploration Access Road” February 2015 that was submitted as additional information with the Application.
2. The Licensee shall submit for the Board’s approval, within ninety (90) days of completion of road construction, an Interim Closure and Reclamation Plan that addresses the entire scope of reclamation and restoration work that may be required for the project in the context of the operations phase.
3. The Licensee shall submit for Board’s approval a Final Closure and Reclamation Plan, at least one (1) year prior to the Expiry of the Licence or the closure and reclamation of road, whichever comes first.
4. The Licensee shall complete all restoration work prior to the expiry of this Licence.
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 remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment prior to the expiry of this Licence.
7. In order to promote growth of vegetation and the needed microclimate for seed deposition, all disturbed surfaces shall be prepared by ripping, grading, or scarifying the surface to conform to the natural topography.
8. Areas that have been contaminated by hydrocarbons from normal fuel transfer procedures shall be reclaimed to meet objectives as outlined in the Government of Nunavut’s *Environmental Guideline for Contaminated Site Remediation* (April 1999, Rev. 2 - March 2009). The use of reclaimed soils for the purpose of back fill or general site grading may be carried out only upon consultation and approval by the Government of Nunavut, Department of Environment and an Inspector.
9. All disturbed areas shall be contoured and stabilized upon completion of work and restored to a pre-disturbed state, where possible.

PART I: CONDITIONS APPLYING TO THE MONITORING PROGRAM

1. The Licensee shall implement the Inspection and Maintenance procedures of Amaruq Exploration Access Road in accordance with the approved Road Management Plan under Part E, Item 1.
2. The Licensee shall measure and record, in cubic metres, the daily volume of water utilized for dust suppression.
3. The Licensee shall monitor all activities for signs of erosion.
4. The Licensee shall obtain a digital photographic record of the water crossings before, during and after construction has been completed.
5. The Licensee shall, during periods of flow, conduct water quality testing immediately upstream and downstream of the water crossings, any significant water seeps in contact with the road and any significant seeps originating from borrow pits or rock quarries prior to construction, weekly during the construction and upon completion.
6. The Licensee shall monitor runoff and/or discharge from the borrow pits and quarry sites, during blasting activities, during periods of flow and following significant precipitation events, on a monthly basis, for the following parameters:

Group	Parameters
Physical Parameters	pH (field and laboratory), temperature (field), alkalinity, bicarbonate, carbonate, electrical conductivity, hardness, hydroxide, ion balance, total dissolved solids, total suspended sediments.
Nutrients	Ammonia-nitrogen, nitrate nitrogen, nitrite-nitrogen, ortho-phosphate.
Major Ions	Calcium, chloride, magnesium, potassium, sodium, sulphate.
Total Metals	Aluminum, antimony, arsenic, barium, beryllium, boron, cadmium, chromium, copper, iron, lead, lithium, manganese, mercury, molybdenum, nickel, selenium, silver, strontium, tin, titanium, uranium, vanadium and zinc.

7. The Licensee shall implement water crossings visual inspection and maintenance program prior to and during spring freshet and after heavy rainfall events to identify issues relating to watercourse crossings structural integrity and hydraulic function.
8. 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.

9. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
10. Additional monitoring requirements may be requested by the Inspector.
11. The Licensee shall include in the Construction Summary Report required under Part E, Item 3 all data, monitoring results and information required by this Part.