

DRAFT Type B Water Licence #MV2020L2-0008
Pine Point Mining Ltd. – Mineral Exploration

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Part A: Scope and Definitions

1. Scope

- a) This Licence entitles the Licensee to use Water and dispose of Waste for the purpose of mineral exploration in the Pine Point District, Northwest Territories. This undertaking is described in the Complete Application and includes the following:
 - i. Withdrawal of water for diamond drilling;
 - ii. Deposit of Drilling Waste into Sumps; and
 - iii. Progressive Reclamation and associated closure activities.
- b) 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 deposit of such Waste may enter any Waters. Whenever new Regulations are made or existing Regulations are amended by the Governor in Council under the Act and/or the Commissioner in Executive Council under the 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 automatically amended to conform with such Regulations.
- c) Compliance with the term and conditions of this Licence does not relieve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial or municipal legislation.
- d) The Licensee shall take every reasonable precaution to protect the environment.
- e) In conducting its activities under this Licence, the Licensee shall make best efforts to consider and incorporate any scientific and Traditional Knowledge that is made available to the Licensee.

2. Definitions

Act –the *Waters Act*, S.N.W.T. 2014, c.18.

Action Level - a predetermined qualitative or quantitative trigger which, if exceeded, requires the Licensee to take appropriate actions including, but not limited to: further investigations, changes to operations, or enhanced mitigation measures.

Analyst - an Analyst designated by the Minister in accordance with subsection 65(1) of the *Waters Act*.

Artesian Aquifer - a Water-bearing rock stratum which, when encountered during drilling operations, produces a pressurized flow of Groundwater that reaches an elevation above the Water table or above the ground surface.

Board - the Mackenzie Valley Land and Water Board, established under subsection 99(1) of the *Mackenzie Valley Resource Management Act*.

Closure and Reclamation Plan – a document, developed in accordance with the Mackenzie Valley Land and Water Board and Aboriginal Affairs and Northern Development Canada’s *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories* which describes the proposed plans to close and reclaim the undertaking.

Complete Application – the complete Type A Land Use Permit Application and Type B Water Licence Application and attachments as submitted to the Board on March 26, 2018.

Construction - any activities undertaken to construct or build any components of, or associated with, the undertaking.

Discharge - the direct or indirect release of any Water or Waste to the Receiving Environment.

Drilling Waste - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.

Engagement Plan - a document, developed in accordance with the Board’s *Engagement and Consultation Policy* and the *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits* describes proposed engagement activities during the life of the undertaking.

Groundwater - all Water below the ground surface.

Greywater - all liquid Wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include Toilet Wastes.

Inspector - an Inspector designated by the Minister under subsection 65(1) of the *Waters Act*.

Licensee – Pine Point Mining Ltd.

Minister – the Minister of Indian Affairs and Northern Development Canada or the Minister of Government of the Northwest Territories, as the case may be.

Modification - a change, other than an expansion, that does not alter the purpose or function of a structure.

Receiving Environment - the aquatic environment that receives any Water or Waste released from the undertaking.

Reclamation - activities which facilitate the return of areas affected by the undertaking to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment, human activities, and the surrounding environment.

Regulations - Regulations promulgated pursuant to section 63 of the *Waters Act*.

Seepage - Water or Waste that drains through or escapes from any structure designed to contain, withhold, divert or retain Water or Waste.

Sump - a man-made pit or natural depression in the earth's surface used for the purpose of depositing Waste that does not contain Toxic Material, such as non-toxic Drilling Waste, therein.

Spill Contingency Plan - a document, developed in accordance with Indian and Northern Affairs Canada's *Guidelines for Spill Contingency Planning*, that describes the set of procedures to be implemented to minimize the effects of a spill.

Traditional Knowledge - the cumulative collective body of knowledge, experience and values built up by a group of people through generations of living in close contact with nature. It builds upon the historic experiences of a people, and adapts to social, economic, environmental, spiritual and political change.

Toilet Wastes - all human excreta and associated products, not including Greywater.

Toxic Material - any substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Unauthorized Discharge - a Discharge or spill of any Water or Waste not authorized under this Licence.

Waste – any Waste as defined in section 1 of the *Waters Act*.

Wastewater - any Water that is generated by activities or originates on site and contains Waste and includes, but is not limited to, runoff, Seepage, or Minewater.

Waste Management Plan - a document, developed in accordance with the Board's *Guidelines for the Development of a Waste Management Plan* which describes the methods of Waste management from Waste generation to final disposal.

Water - any Water as defined in section 1 of the *Waters Act*.

Water Supply Facilities - the area and associated intake and distribution infrastructure and/or equipment designed to collect and supply Water as identified as electric and diesel powered water pumps with water line, insulated pump shack with fuel tank and/or propane bottles, water storage tanks, and water trucks in the Complete Application.

Water Use - a use of Water as defined in section 1 of the *Waters Act*.

Water Use Fee - the fee for the use of Water set out in the Regulations promulgated under section 63 of the *Waters Act*.

Part B: General Conditions

1. The Licensee shall ensure a copy of this Licence is maintained on site at all times.
2. All references to policies, guidelines, codes of practice, statutes, Regulations or other authorities shall be read as a reference to the most recent versions, unless otherwise denoted.
3. All information submitted to the Board, as required by this Licence, shall:
 - a) Be submitted in a form acceptable to the Board;
 - b) Be in accordance with the Board's Document Submission Standards; and
 - c) Include a section within each submission which identifies where the pertinent requirements of the Licence are addressed.
4. The Licensee shall operate in accordance with any approved plans, programs, studies and manuals referred to in this Licence, including such revisions as may be made to these documents pursuant to the conditions of this Licence and as approved by the Board.
5. The Licensee shall review the approved plans annually, or as directed by the Board, and make any necessary revisions to reflect changes in operations. All revised plans shall be submitted to the Board, for approval, at least 60 days, unless otherwise specified, prior to implementing any proposed updates or changes in the approved plan, and shall be accompanied by a brief summary of the changes made. All revised plans shall be presented in a format consistent with the Board's Standard Outline for Management Plans.
6. The Licensee shall comply with the Schedules, which are annexed to and form part of this Licence, and any changes to the Schedules as may be made from time to time by the Board.
7. The Schedules and any compliance dates specified in this Licence may be changed at the discretion of the Board.
8. If any date for a submission falls on a weekend or holiday, the item shall be submitted on the following business day.
9. Meters, devices, or other such methods used for measuring the volumes of Water used and Waste Discharged shall be installed, operated, and maintained by the Licensee to the satisfaction of an Inspector.
10. The Licensee shall act in accordance with the **Engagement Plan** in the Complete Application, until a revised plan has been approved by the Board.
11. The **Water Use Fee** shall be paid annually in advance of any Water Use, in accordance with the Mackenzie Valley Land and Water Board's *Water Use Fee Policy*.
12. Beginning March 31, 2019, and no later than every March 31 thereafter, the Licensee shall submit an **Annual Water Licence Report** to the Board. The Report shall be in accordance with Schedule 1, condition 1.

Part C: Conditions Applying to Security Deposit

1. The Licensee shall post and maintain a security deposit in accordance with Schedule 2, condition 1.
2. The security deposit required under Part C, condition 1, shall be in a form acceptable to the Minister and shall be maintained until such time as it is fully or partially refunded by the Minister pursuant to subsection 35(5) of the *Waters Act*.
3. Upon request of the Board, the Licensee shall submit a revised Reclamation liability estimate utilizing the current version of RECLAIM or another method acceptable to the Board.
4. The amount of the security deposit referred to in Part C, condition 1 may be revised by the Board based on estimates of the reclamation liability referred to in Part C, condition 3 or based on such other information as may be available to the Board.
5. If the amount of the security deposit is revised by the Board as described under Part C, condition 4, the Licensee shall post the revised amount with the Minister within 90 days of the Board giving notice of the revised amount.

Part D: Conditions Applying to Water Use

1. The Licensee shall obtain all Water as described in the Complete Application, unless otherwise approved by the Board. Water shall be withdrawn using the Water Supply Facilities, unless otherwise authorized in writing by the Inspector.
2. The total quantity of Water withdrawn shall not exceed 299 cubic metres per day.
3. A minimum of 48 hours prior to the commencement of drilling at each drill target, the Licensee shall notify an Inspector of the source of drill Water and the location of Drilling Waste disposal.

Part E: Conditions Applying to Construction

1. The Licensee shall ensure that all structures intended to contain, withhold, divert, or retain Water or Wastes are designed, constructed, and maintained to prevent escape of Waste to the Receiving Environment.

Part F: Conditions Applying to Modifications

1. The Licensee may, without written approval from the Board, carry out Modifications provided the following requirements are met:
 - a) The Licensee has notified the Board and an Inspector in writing of such proposed Modifications at least 60 days prior to beginning the Modifications;
 - b) The Modifications do not place the Licensee in contravention of either the Licence or the Act;
 - c) The Board has not, during the 60 days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than 60 days;
 - d) An Inspector has authorized the proposed Modifications and provided a letter of notification to the Board; and
 - e) The Board has not rejected the proposed Modifications.

2. Modifications for which all of the conditions referred to in Part F, condition 1 have not been met, may be carried out only with written approval from the Board.

Part G: Conditions Applying to Water and Waste Management

1. The Licensee shall manage Water and Waste with the objectives of minimizing impacts on the quantity and quality of Water in the Receiving Environment through the use of appropriate mitigation measures, monitoring, and follow-up actions.

Management Plans

2. Within 30 days following issuance of this Licence, the Licensee shall submit to the Board, for approval, a revised **Waste Management Plan**.

Operations and Maintenance

3. If, during the period of this Licence, an Artesian Aquifer is encountered and producing Water at the ground surface, the Licensee shall:
 - (a) Employ appropriate technology, as necessary, to prevent Artesian Aquifer Water from flowing off-lease and to minimize the quantity of such Water that will be stored on-site;
 - (b) Notify the Board and an Inspector, in writing, within 48 hours of the Flow rate, in cubic metres; and
 - (c) Within 24 hours following cessation of the flow of Artesian Aquifer Water, the Licensee shall submit to the Board and an Inspector a detailed report of the event, which shall include the total amount of Artesian Aquifer Water in cubic metres that has been released and the amount in cubic metres stored in the snow bermed area or otherwise approved storage area.
4. Upon the completion of each drilling operation, the Licensee shall, where fluids generated by an **Artesian Aquifer** are encountered, seal the borehole in such a manner as to permanently prevent any further outflow of water.
5. The disposal of fluids generated by an Artesian Aquifer to other than a snow bermed area, or other self-contained area, requires the approval of the Board and an Inspector.
6. The sealing of an Artesian Aquifer shall be to the satisfaction of an Inspector.

Discharge Locations and Rates

7. Waste, including Wastewater, shall not be discharged or decanted to any Waterbody, Watercourse, or to the ground surface within 100 metres of the Normal High Water Mark of any Waterbody or Watercourse.

8. In the event where decanting Waste or Water from the Sump(s) is planned or required by an unanticipated event, the Licensee shall:
 - a) Advise an Inspector; and
 - b) Prior to decanting, obtain written authorization for the location of the Sump discharge from the Inspector.

Inspections of Structures and Facilities

9. The Licensee shall conduct weekly inspections of all Drilling Waste Sumps, or more frequently, as directed by an Inspector. Records of these inspections shall be kept for review upon request of an Inspector.

Part H: Conditions Applying to Contingency Planning

1. The Licensee shall operate in accordance with the **Spill Contingency Plan**, once approved.
2. If, during the period of this Licence, a spill or an Unauthorized Discharge occurs or is foreseeable, the Licensee shall:
 - a) Implement the Spill Contingency Plan;
 - b) Report the incident immediately via the 24-Hour Spill Reporting Line (867) 920-8130 in accordance with the instructions contained in the Spill Report Form NWT 1752/0593 or subsequent editions;
 - c) Report each spill and Unauthorized Discharge to the Board and an Inspector within 24 hours; and,
 - d) Submit a detailed report on each spill and Unauthorized Discharge, including descriptions of root causes, response actions and any changes to procedures to prevent similar occurrences in the future, to the Board within 30 days.
3. All spills and Unauthorized Discharges of Water or Waste shall be reclaimed to the satisfaction of an Inspector.

Part I: Conditions Applying to Closure and Reclamation

1. A minimum of 12 months prior to the end of operations, the Licensee shall submit a **Closure and Reclamation Plan** to the Board for approval, developed in accordance with the Board and Aboriginal Affairs and Northern Development's *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*.
2. The Licensee shall implement the Closure and Reclamation Plan referred to in Part I, condition 1, and shall endeavor to carry out progressive Reclamation of areas as soon as is reasonably practicable.

Signed the **Xth of XXX of XXXX** on behalf of the Mackenzie Valley Land and Water Board

Mavis Cli-Michaud, Chair

, Witness

Schedule 1
Attached to Water Licence MV2020L2-0008
Pine Point Mining Ltd. – Mineral Exploration

Part B: General Conditions – Annual Water Licence Report

1. The Annual Water Licence Report referred to in Part B of this Licence shall include, but not limited to, the following information:

Management Plans and Activities:

- a) A summary of engagement activities conducted in accordance with the approved **Engagement Plan**, in Part B of this Licence, undertaken during the previous calendar year, including a brief description of activities planned for the forthcoming year;
- b) A summary of activities conducted in accordance with the approved **Waste Management Plan**, required in Part G of this Licence, undertaken during the previous calendar year, including:
 - i. A summary of updates or changes to the process or facilities required for the management of Waste, and/or revisions to the Waste Management Plan;
 - ii. The monthly and annual quantities in cubic metres of non-hazardous and hazardous Waste managed in association with the Project;
 - iii. Log of all Sumps excavated;
 - iv. The monthly and annual quantities in cubic metres of each type of Waste Discharged and the location at which each Discharge took place, including but not limited to:
 - a. Monthly and annual quantities of all solid Waste deposited, identified by location;
 - b. Monthly and annual quantities of all liquid Waste deposited, identified by location;
 - c. Monthly and annual quantities of Drilling Waste deposited into Sumps; and
 - d. Monthly and annual quantities of hazardous waste staged for proper disposal, and copies of manifests;
- c) A summary of activities conducted in accordance with the approved **Spill Contingency Plan**, required in Part G of this Licence, undertaken during the previous calendar year, including:
 - i. A list and description for all Unauthorized Discharges that occurred during the previous calendar year, including the date, NWT spill number, volume, location, summary of the circumstances and follow-up actions taken, and status (i.e. open or closed), in accordance with the reporting requirements in Part H of this Licence; and
 - ii. An outline of any spill training and communications exercises carried out during the previous calendar year.
- d) A summary of activities conducted in accordance with the **Closure and Reclamation Plan**, required in Part I of this Licence, completed during the year, a summary of updates or changes made, and an outline of any work anticipated for the next year;

Other Reporting Requirements:

- e) The monthly and annual quantities in cubic metres of Water obtained from each source;
- f) An updated schedule for the undertaking;
- g) A summary of the calibration and status of the meters and devices referred to in Part B of this Licence;
- h) A description of any erosion susceptible areas encountered and a summary of activities to

prevent or mitigate erosion;

- i) A report of the performance of erosion mitigations applied in previous years;
- j) A summary of actions taken to address concerns, non-conformances, or deficiencies in any reports filed by an Inspector; and
- k) Any other details on Waste management or Waste Use requested by the Board.

Schedule 2
Attached to Water Licence MV2020L2-0008
Pine Point Mining Ltd. – Mineral Exploration

Part C: Security Deposits

1. Pursuant to section 35 of the Act and section 11 of the Regulations, the Licensee shall post security deposits referred to in Part C, condition 1 of this Licence totaling \$56,432.00.

Signed the 20th day of June, 2018 on behalf of the Mackenzie Valley Land and Water Board

Mavis Cli-Michaud, Chair

Tanya Lantz, Witness

Annex A: Table of Items Requiring Submission

Attached to Water Licence MV2020L2-0008

Supplemental information to be submitted by Licensee as required through Water Licence conditions.

Part	Item	Date
B	Water Use Fee	•
B	Annual Water Licence Report	•
C	Security	•
G	Waste Management Plan	•
H	Spill Contingency Plan	•
H	Detailed report on each spill and Unauthorized Discharge	•
I	Closure and Reclamation Plan	•
		-
		-
		-
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Annex B: Revisions to Water Licence MV2020L2-0008

Attached to Water Licence MV2020L2-0008

List of changes that have been made to the Water Licence since issuance.

Date	Location of Change	What has changed
-	-	-