

PERMIT TO ALTER A BODY OF WATER

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 48

Date: **FEBRUARY 18, 2020**

File No: **526**

Permit No: **ALT10892-2020**

Permit Holder: **Anaconda Mining Inc.
P.O. Box 238, HWY 410
Baie Verte, NL
A0K 1B0**

Attention: **Mr. Steve Barrett**

Re: **Tilt Cove Property - East Pond and West Pond Ice-Drilling Project**

Permission is hereby given for : **the diamond-drilling of eight (8) mineral exploration holes within West Pond and five (5) mineral exploration holes within East Pond within the Tilt Cove Property near Baie Verte Peninsula in reference to the application received on December 20, 2019 and Mineral Exploration Approval E190295.**

- This Permit does not release the Permit Holder from the obligation to obtain appropriate approvals from other concerned municipal, provincial and federal agencies.
- The Permit Holder must obtain the approval of the Crown Lands Administration Division if the project is being carried out on Crown Land.
- This Permit is subject to the terms and conditions indicated in Appendices A and B (attached).
- It should be noted that prior to any significant changes in the design or installation of the proposed works, or in event of changes in ownership or management of the project, an amendment to this Permit must be obtained from the Department of Municipal Affairs and Environment under Section 49 of the *Water Resources Act*.



(for) MINISTER

APPENDIX A
Terms and Conditions for Permit

Exploration

1. All drill rigs, pumps, generators, other motorized equipment and associated fuel tanks shall have metal trays, absorbent pads or impervious liners under them to catch and contain in excess of 110 % of the aggregate volume of any fuel, lubricant and oil.
2. All water, runoff or effluent from the mineral exploration activity (or any other type of similar undertaking), that is pumped or flows by gravity, shall have silt, sludge, sediment, cuttings, and visible turbidity removed by means of sediment boxes, settling tanks, settling ponds, sumps dug into the ground, filtration or other suitable treatment, to less than or equal to 30 milligrams per litre of Total Suspended Solids (TSS), before being discharged to the environment. More specifically, at the last point of control, the final discharge of all water, runoff or effluent must conform to the limits specified in Schedule A of the Environmental Control Water and Sewer Regulations, 2003, <https://www.assembly.nl.ca/Legislation/sr/Regulations/rc030065.htm>. It is the responsibility of the Permit Holder to demonstrate, that the final discharge meets the requirement of these Regulations.
3. Unless listed above, all conditions outlined in the **Environmental Guidelines for Construction and Mineral Exploration Companies**, must be strictly adhered to.
4. Mineral Lands Approval E190295 will expire on September 18, 2020.
5. Water, runoff or effluent must not be discharged within a hundred (100) meters of a body of water including wetlands, nor in such a manner that it has a direct surface route back to a body of water.
6. All silt, sludge, sediment, cuttings, drilling additives, and drilling mud must be collected and disposed of at a waste disposal site approved by the Department of Service NL in accordance with the Environmental Protection Act, SNL, 2002 cE-14.2. This material shall not be left on the ground, nor buried in a sump.
7. Diamond drilling or trenching operations can not be undertaken without a valid Water Use License/Permit. WUL/P-19-10776 expires March 29, 2020.
8. All boreholes shall be sealed with bentonite to prevent any artesian flow.

Ice Drilling

9. A dyke or other suitable device must be placed around the immediate perimeter of the ice hole to prevent any fluid, fuel or other foreign substance from entering the water.
10. The initial placement of the drill rod assembly or drill casing onto the bottom of the body of water shall be done with the minimum disturbance possible to any bottom sediment that may be present.
11. The proponent must ensure that the ice is sufficiently thick and structurally sound to safely support the drilling rig and all associated equipment before placing equipment on the ice surface.
12. The proponent is hereby informed that an application form for fuel storage must be completed and approval must be obtained under the *Storage and Handling of Gasoline and Associated Products Regulations, CNR 775/96*.

13. A complete oil spill clean-up kit must be on site at all times when gasoline or fuel powered equipment is being used or refuelled. The kit must contain the following:
 - One hand operated fuel pump
 - One recovery container such an empty 205 litre drum
 - One shovel
 - One pick axe
 - Five metres of containment boom
 - Five absorbent pads
 - Twenty-five litres of loose absorbent material
14. The proponent must report any environmental problem encountered in connection with the body of water to the Water Resources Management Division within 24 hours of the incident. Problems to be reported include, but are not limited to, equipment breaking through the ice or being lost in the body of water, any spillage of fuel, lubricant, drilling mud or any other material, siltation of water or depletion of any source of water used for any purpose in connection with the approved activity.
15. The ice conditions must be inspected at least once a day while the equipment is on the ice. More frequent inspections are required when there are sudden temperature changes. A written record of these inspections must be kept in a suitable log book.

General Alterations

16. All operations must be carried out in a manner that prevents damage to land, vegetation, and watercourses, and which prevents pollution of bodies of water.
17. All vehicles and equipment must be clean and in good repair, free of mud and oil, or other harmful substances that could impair water quality.
18. Any areas adversely affected by this project must be restored to a state that resembles local natural conditions. Further remedial measures to mitigate environmental impacts on water resources can and will be specified, if considered necessary in the opinion of this Department.
19. The bed, banks and floodplains of watercourses, or other vulnerable areas affected by this project, must be adequately protected from erosion by seeding, sodding or placing of rip-rap.
20. The owners of structures are responsible for any environmental damage resulting from dislodgement caused by wind, wave, ice action, or structural failure.
21. Sediment and erosion control measures must be installed before starting work. All control measures must be inspected regularly and any necessary repairs made if damage is discovered.
22. The attached Completion Report (Appendix C) for Permit No. 10892 must be completed and returned to this Department upon completion of the approved works. Pictures must be submitted along with the completion report, showing the project site prior to and after development.
23. This Permit is valid for two years from the date of issue. Work must be completed by that date or the application and approval procedure must be repeated.
24. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.
25. Pictures must be submitted along with the completion report, showing the project site prior to and after development.
26. All work must be carried out within the Permit Holder's legal property boundaries.

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
Department of Municipal Affairs and Environment

File No: 526
Permit No: ALT10892-2020

APPENDIX B

Special Terms and Conditions for Permit

1. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall keep all systems and works in good condition and repair and in accordance with all laws, by-laws, directions, rules and regulations of any governmental authority. The Permit Holder or its agent(s), subcontractor(s), or consultant(s) shall immediately notify the Minister if any problem arises which may threaten the structural stability of the systems and works, endanger public safety and/or the environment or adversely affect others and/or any body of water either in or outside the said Project areas. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall be responsible for all damages suffered by the Minister and Government resulting from any defect in the systems and works, operational deficiencies/inadequacies, or structural failure.
2. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall operate the said Project and its systems and works in a manner which does not cause any water related and/or environmental problems, including but not limited to problems of erosion, deposition, flooding, and deterioration of water quality and groundwater depletion, in or outside the said Project areas. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall be responsible for any and all damages associated with these problems caused as a result of changes, deficiencies, and inadequacies in the operational procedures by the Permit Holder or its agent(s), subcontractor(s), or consultant(s).
3. If the Permit Holder or its agent(s), subcontractor(s), or consultant(s) fails to perform, fulfil, or observe any of the terms and conditions, or provisions of this Permit, as determined by this Department, the Minister may, without notice, amend, modify, suspend or cancel this Permit in accordance with the *Water Resources Act*.
4. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) indemnify and hold the Minister and Government harmless against any and all liabilities, losses, claims, demands, damages or expenses including legal expenses of any nature whatsoever whether arising in tort, contract, statute, trust or otherwise resulting directly or indirectly from granting this Permit, systems and works in or outside the said Project areas, or any act or omission of the Permit Holder or its agent(s), subcontractor(s), or consultant(s) in or outside the said Project areas, or arising out of a breach or non-performance of any of the terms and conditions, or provisions of this Permit by the Permit Holder or its agent(s), subcontractor(s), or consultant(s).
5. This Permit is subject to all provisions of the *Water Resources Act* and any regulations in effect either at the date of this Permit or hereafter made pursuant thereto or any other relevant legislation enacted by the Province of Newfoundland and Labrador in the future.
6. This Permit shall be construed and interpreted in accordance with the laws of the Province of Newfoundland and Labrador.

- cc: Amir Ali Khan, Ph.D., P.Eng.
Manager, Water Rights, Investigations and Modelling Section
Water Resources Management Division
Department of Municipal Affairs and Environment
P.O. Box 8700
4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
akhan@gov.nl.ca
- cc: File Copy for Binder
- cc: Dave Mercer (Central)
Land Management Specialist
Crown Lands Administration Division
Department of Fisheries and Land Resources
davemercer@gov.nl.ca
- cc: Fisheries Protection Division
Ecosystem Management Branch
Fisheries and Oceans Canada
P.O. Box 5667
St. John's, NL A1C 5X1
FPP-NL@dfo-mpo.gc.ca
- cc: Matthew Snow
Exploration Approvals Geologist
Mineral Lands Division, Department of Natural Resources
50 Elizabeth Avenue, P.O. Box 8700
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Government of Newfoundland and Labrador
Department of Municipal Affairs and Environment
Water Resources Management Division

Appendix C - Completion Report

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 48

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I (the Permit Holder named above or agent authorized to represent the Permit Holder) do hereby certify that the project described above was completed in accordance with the plans and specifications submitted to the Department of Municipal Affairs and Environment and that the work was carried out in strict compliance with the terms and conditions of the Permit issued for this project.

Date: _____ Signature: _____

This completion report must be completed and forwarded to the following address upon completion of the approved work.

Department of Municipal Affairs and Environment
Water Resources Management Division
PO Box 8700
St. John's NL A1B 4J6

APPENDIX D
Location Map for Permit

