

## PERMIT FOR DEVELOPMENT

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Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 39, 48

Date: **FEBRUARY 10, 2020**

File No: **550-01-01-05-054**

Permit No: **PRO10868-2020**

Permit Holder: **Cartier Iron Corporation  
20 Adelaide Street East, Suite 200  
Toronto, ON, Canada  
M5C 2T6  
tlarsen@cartieriron.com**

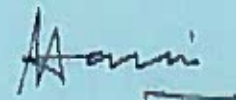
Attention: **Tom Larsen**

Re: **Clarenville - Shoal Harbour River PPWSA - Mineral Exploration - Cartier Iron Corporation**

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Permission is hereby given for : **exploratory mining involving a diamond drilling program (2 new drill holes BE-19-34 & BE-19-33 plus extension of existing hole BE-18-32) within an unnamed waterbody (wetland) inside the Shoal Harbour River Protected Public Water Supply Area (used by the Town of Clarenville) with reference to the application dated Dec. 11, 2019.**

- 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**

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**PPWSA General**

1. 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.
2. 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.
3. All persons working on this project must be informed that they are within a Protected Public Water Supply Area, and must be made aware of all conditions of this Permit. A copy of this Permit must be on site during operations.
4. The attached Completion Report (Appendix C) for Permit No. 10868 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.
5. An undisturbed (no cutting or ground disturbance) buffer zone of at least **150 metres** shall be maintained around Shoal Harbour River for a distance of 1 kilometer upstream, at least **75 metres** along the remainder of Shoal Harbour River, at least **50 metres** along both sides of all streams and main tributaries running into Shoal Harbour River, and at least **30 metres** around all ponds and along both sides of all other water bodies. Activity or development within these buffer zones is prohibited with the exception of usage indicated in Water Use License WUL/P-20-10875.
6. All waste material is to be collected in refuse containers, and disposed of at an approved waste disposal site outside the Protected Public Water Supply Area in accordance with the *Environmental Protection Act, SNL 2002 cE-14.2*.
7. Equipment storage, maintenance facilities associated with this project, and all maintenance other than emergency repairs must not be located/carried out within the Protected Public Water Supply Area.
8. The Department reserves the right to require that the Permit Holder follow, and cover all costs incurred by the Permit Holder or this department, associated with any water quality monitoring program that may be ordered by the Minister for the purpose of ensuring that the water quality is maintained within acceptable guidelines.
9. Officials of the Department of Municipal Affairs and Environment, the Department of Natural Resources, and the appropriate Municipal Authority may visit the site to ensure compliance with this Permit.
10. Liaison is to be maintained with the appropriate Municipal Authority and Environmental Scientist. If there are any specific problems (ie sedimentation, fuel spill, other potential water quality impairment), the appropriate Town Manager/Clerk, Mayor, Chair of the Local Service District Committee, or Chair of the Water Supply Committee must be notified immediately at (709)466-7937. The Environmental Scientist must also be notified immediately at (709)729-4817.
11. The Permit Holder must inspect the site daily, and any water quality impairment related problems are to be reported immediately to the Environmental Scientist at (709)729-4817 and the appropriate Municipal Authority or Watershed Monitoring Committee at (709)466-7937.

12. The felling or disposing of trees, parts of trees, sawdust, bark, logging debris or slash into a water body or upon the frozen surface of a water body is strictly prohibited.

13. Treated wood shall not be used in a water body or within buffer zones established in Condition #5 of any water body measured from the high water mark. The use of creosote treated wood anywhere within the Protected Public Water Supply Area is strictly prohibited.

14. Drainage from roads and other disturbed areas, and all water, runoff or effluent from the site, 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.

15. A minimum of one grab sample must be collected at the commencement of each borehole drilling from the final discharge point, analyzed at an accredited Laboratory, and results provided to this Department within one (1) day of the receipt of analytical results. Samples should be analyzed for:

- Total Suspended Solids
- Total Dissolved Solids
- Arsenic
- Barium
- Boron
- Cadmium
- Chlorine
- Chromium
- Copper
- Cyanide
- Iron
- Lead
- Mercury
- Nickel
- Nitrates
- Nitrogen (ammoniacal)
- Phosphorous
- Selenium
- Sulfides
- Silver
- Zinc

16. Motorized vehicles, including snowmobiles and ATVs, shall not be used to cross the frozen surface of Shoal Harbour River, Shoal Harbour Pond, or Andrews Pond within the Protected Public Water Supply Area.

17. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.

18. This Permit is valid until April 30, 2020. Amendments for extension of expiry or changes to application must be requested and approved through Water Resources Management Division prior to expiry date.

19. All vehicles and equipment must be in good working order with no leaking fuel, oil, or other harmful substances that could impair water quality.

20. All stationary 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.
21. Any streams not visible on a 1:50,000 scale map (including field identified streams) shall require a minimum buffer of 30 m.

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22. Exploration activities must not extend within 200 meters of a scheduled salmon river without prior registration for and release under the Environmental Protection Act, Environmental Assessment Division, Department of Municipal Affairs and Environment.
23. Where permits, licences, approvals or authorizations are issued by multiple governments departments or agencies, in the case of similar conditions, the more stringent of the those shall prevail; in the case of conflicting conditions, the Permit Holder shall seek clarification and direction in writing from each of the respective departments or agencies.
24. The Permit Holder is required to ensure that adequate sanitary (bathroom) facilities are available or provided on site. This may be in the form of a portable toilet, chemical toilet, pit privy (outhouse), sub-surface disposal system, or municipal sewer system. If a portable toilet or chemical toilet is used, the waste water must be disposed of in a septic disposal system approved by Service NL, or at an approved waste disposal site, outside the Protected Public Water Supply Area in accordance with the Environmental Protection Act, SNL 2002 cE-14.2. If a pit privy (outhouse) or sub-surface disposal system is used, it must be located outside the required buffers, and be subject to Service NL standards, requirements and approval.
25. The issuance of this permit does not guarantee, nor set precedent, that additional or similar permits or amendments will be issued in this or any other Protected Public Water Supply Area for additional or similar activity or development.

#### **Exploration**

26. 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.
27. All water, runoff or effluent from the mineral exploration activity 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. A minimum of one grab sample must be collected from the final discharge point for each borehole, analysed at an accredited Laboratory, and the results provided to this Department within seven (7) days of the receipt of analytical results.

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28. Drilling fluids other than water must be approved by this Department prior to their use.
29. Unless listed above, all conditions outlined in the **Environmental Guidelines for Construction and Mineral Exploration Companies**, must be strictly adhered to.
30. 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. This material shall not be disposed of anywhere within a Protected Public Water Supply Area without explicit written permission from the Water Resources Management Division.

31. At least seven (7) days advance notice of the beginning and end of the planned drilling operations is required. The Environmental Scientist with Water Resources Management Division (Christa Skinner) must be notified at (709)729-4817 or christavskinner@gov.nl.ca. Any changes in the planned drilling operation must also be communicated in a timely manner, and approved with a subsequent Permit or amendment before being undertaken.
32. Diamond drilling or trenching operations can not be undertaken without a valid Water Use License/Permit.
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33. All boreholes shall be sealed with bentonite to prevent any artesian flow.

#### **Fuel Storage**

34. There shall be no bulk fuel storage associated with this project within the protected water supply area. Fuel shall be brought to the operating area in no more than two (2), 205 litre barrels or one (1) 500 litre slip tank. Refueling sites shall be located at least 150 metres from any water body or wetland. The Permit Holder is hereby informed that fuel storage and handling requires a separate approval under the *Storage and Handling of Gasoline and Associated Products Regulations*, CNR 775/96.
35. A complete oil spill clean-up kit must be on site at all times when gasoline or fuel powered equipment is being used or refueled. The kit must contain the following:
- Fire pump and 100 metres of hose
  - Two hand operated fuel pumps
  - Six recovery containers such as empty 205 litre drums
  - Four shovels
  - Two pick axes
  - Ten metres of containment boom
  - Twenty-five absorbent pads
  - One hundred litres of loose absorbent material
36. Contaminated snow and soil must be removed from the site and disposed of at an approved location outside the protected public water supply area, in accordance with the *Environmental Protection Act, SNL 2002 cE-14.2*.
37. Any spills of gasoline, fuel or oil, regardless of volume, shall be reported immediately to the Environmental Scientist and the appropriate Municipal Authority or Watershed Management Committee by calling (709)729-4817 and (709)466-7937 respectively. Furthermore, all spills in excess of 70 litres shall be reported immediately to the 24 hour spill report line at 1-800-563-9089.
38. Refueling sites shall be located at least 150 metres from any water body or wetland.

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#### **Protected Miscellaneous**

39. The Permit Holder is required to provide this Department with all documentation, information and data which may be requested or required in order to carry out the inspection or investigation.
40. Wood and brush removed from the work site must not be stored within undisturbed buffer zones of any water body.

#### **Special Conditions**

41. Approved Contingency Plans (Fuel Handling and Storage Plan, Environmental Spill Response Plan) will be adhered to and implemented appropriately, in a timely manner to minimize environmental damage and the potential for impairment to water quality.

#### **General Alterations**

42. Any work that must be performed below the high water mark must be carried out during a period of low water levels.

43. Water pumped from excavations or work areas, or any runoff or effluent directed out of work sites, must have silt and turbidity removed by settling ponds, filtration, or other suitable treatment before discharging to a body of water. Effluent discharged into receiving waters must comply with the *Environmental Control Water and Sewage Regulations, 2003*.
  44. The use of heavy equipment in streams or bodies of water is not permitted. The operation of heavy equipment must be confined to dry stable areas. Bog mats shall be placed on the wetland area to minimize environmental impacts.
  45. During the construction of concrete components, formwork must be properly constructed to prevent any fresh concrete from entering a body of water. Dumping of concrete or washing of tools and equipment in any body of water is prohibited.
  46. 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.
  47. The owners of structures are responsible for any environmental damage resulting from dislodgement caused by wind, wave, ice action, or structural failure.
  48. All work must be carried out within the Permit Holder's legal property boundaries.
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APPENDIX B

Special Terms and Conditions for Permit

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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.
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cc: Christa Skinner (E)  
Environmental Scientist, Drinking Water and Wastewater Section  
Water Resources Management Division  
Department of Municipal Affairs and Environment  
P.O. Box 8700  
4th Floor, West Block, Confederation  
St. John's, NL A1B 4J6  
christavskinner@gov.nl.ca

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cc: Matthew Snow  
Exploration Approvals Geologist  
Mineral Lands Division, Department of Natural Resources  
50 Elizabeth Avenue, P.O. Box 8700  
St. John's, NL A1B 4J6  
exploration\_approval@gov.nl.ca

cc: Ms. Paula Dawe, P.Eng.  
Manager, Drinking Water and Wastewater 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 A1L 4J6  
pauladawe@gov.nl.ca

cc: Shabnam Mostofi, Ph.D.  
Environmental Engineer  
Water Resources Management Division  
Dept of Municipal Affairs and Environment  
ShabnamMostofi@gov.nl.ca

cc: Town of Clarenville  
Ms. Angela Giles  
99 Pleasant Street  
Clarenville, NL A5A 1V9  
info@clarenville.net

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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



**Appendix C - Completion Report**

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 39, 48

Date: **FEBRUARY 10, 2020**

File No: **550-01-01-05-054**

Permit No: **PRO10868-2020**

Permit Holder: **Cartier Iron Corporation  
20 Adelaide Street East, Suite 200  
Toronto, ON, Canada  
M5C 2T6  
tlarsen@cartieriron.com**

Attention: **Tom Larsen**

Re: **Clarenville - Shoal Harbour River PPWSA - Mineral Exploration - Cartier Iron Corporation**

Permission was given for : **exploratory mining involving a diamond drilling program (2 new drill holes BE-19-34 & BE-19-33 plus extension of existing hole BE-18-32) within an unnamed waterbody (wetland) inside the Shoal Harbour River Protected Public Water Supply Area (used by the Town of Clarenville) with reference to the application dated Dec. 11, 2019.**

*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.*

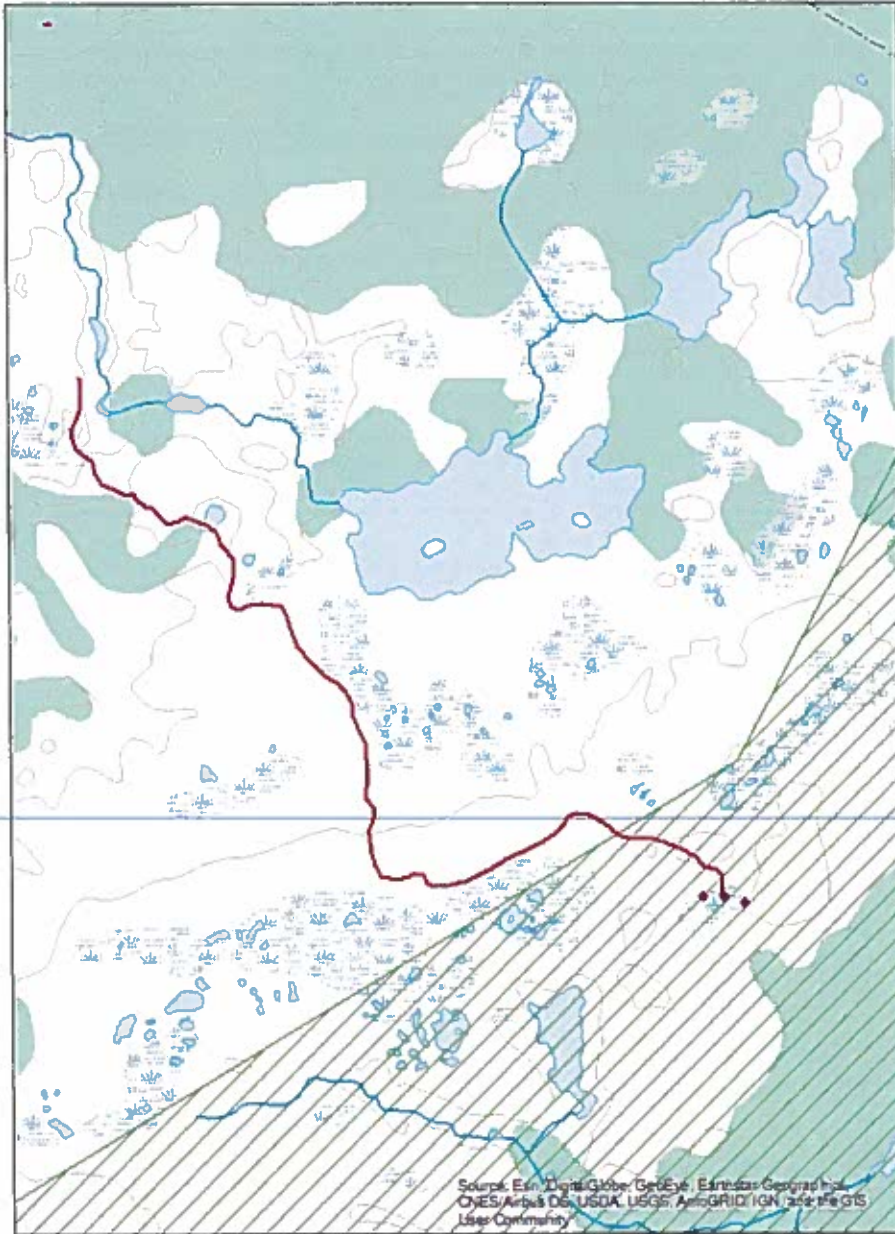
Date: \_\_\_\_\_

Signature: \_\_\_\_\_

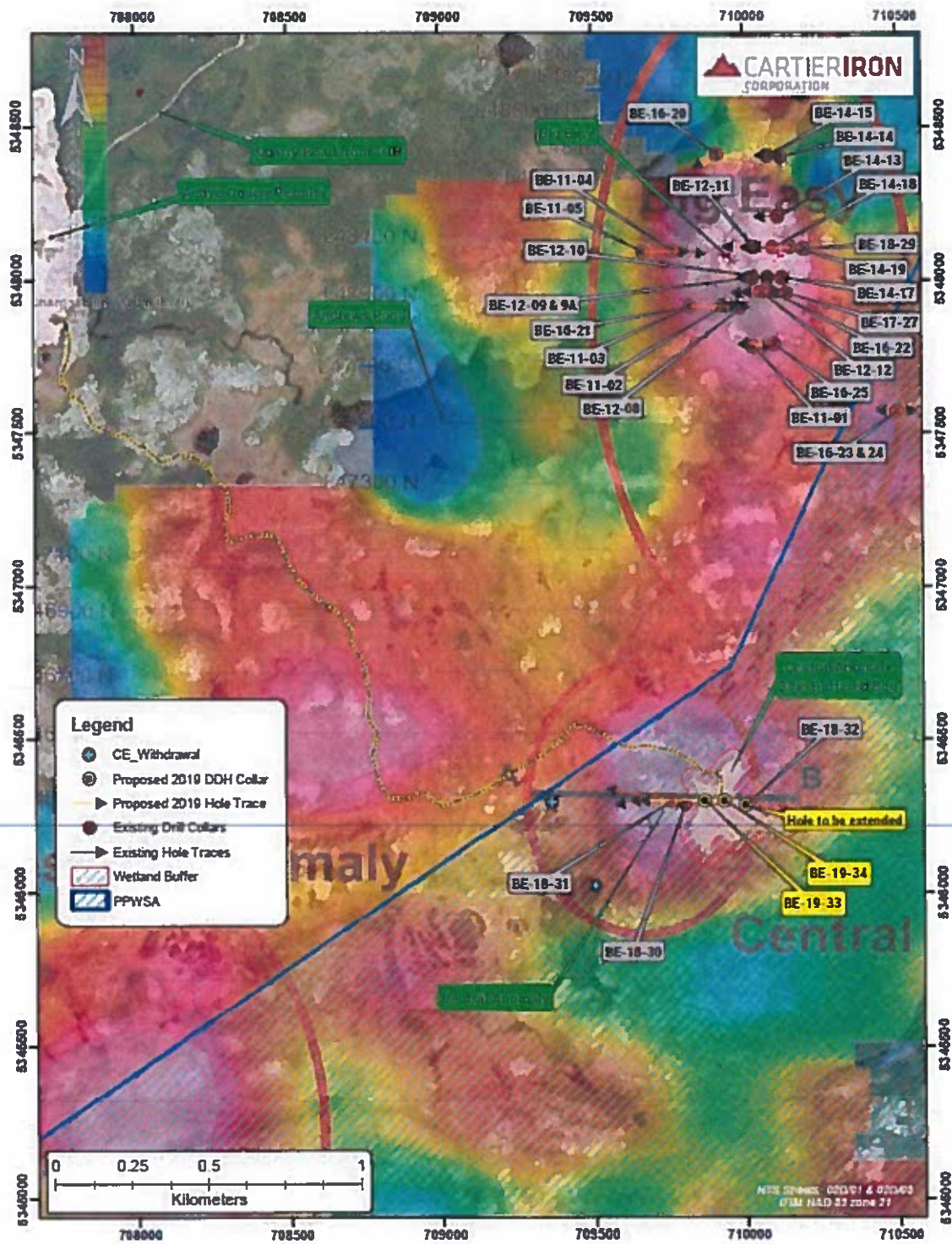
This completion report must be completed and forwarded to the following address upon completion of the approved work.

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**



Second Attached Image File



**Third Attached Image File**

