

## PERMIT FOR DEVELOPMENT

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

Date: **SEPTEMBER 26, 2019**

File No: **550-01-02-05-075**  
Permit No: **PRO10665-2019**

Permit Holder: **New Found Gold Corp.**  
**56 Carpasian Rd.**  
**St. John's, NL A1B 2R2**  
**gmatheson@newfoundgold.ca**

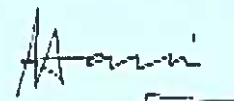
Attention: **Greg Matheson**

Re: **Gander Lake WSMC - Gander Lake PPWSA - Mineral Exploration - New Found Gold Corp.**

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Permission is hereby given for : **diamond drilling up to a total of three (3) boreholes and approximately 250m of access trails, in the Gander Lake Protected Public Water Supply Area (used by the Towns of Gander, Appleton, and Glenwood) with reference to the application dated July 22, 2019 and additional information provided August 26, 2019. Note: Washroom facilities and fuel storage will be located outside of the Protected Public Water Supply Area.**

- 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

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR  
Department of Municipal Affairs and Environment

File No: 550-01-02-05-075  
Permit No: PRO10665-2019

**APPENDIX A**  
**Terms and Conditions for Permit**

**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. 10665 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 **300 metres** shall be maintained around Gander Lake, at least **100 metres** along both sides of all streams and main tributaries running into Gander Lake, 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. All buffer zones must be marked with signs or flagging tape to avoid encroachment into the buffer zones.
6. 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.
7. 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*.
8. Any activity within a freshwater body (including wetlands and flood risk areas), requires a Permit under Section 48 of the Water Resources Act, 2002. This Permit refers to Section 39 of the Water Resources Act, 2002 and does not grant permission for the above stated work including fording and/or culvert or bridge installation.
9. 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.
10. Officials of the Department and the appropriate Municipal Authority, Operator, or Watershed Management Committee may visit the site to ensure compliance with this Permit.

11. 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 Chair of the Water Supply Committee must be notified immediately at (709) 651-5915. The Environmental Scientist must also be notified immediately at (709) 292-4280 or (709) 729-7634.
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. Motorized vehicles, including snowmobiles and ATVs, shall not be used to cross the frozen surface of Gander Lake, the intake lake, within the Protected Public Water Supply Area.
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. 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.
16. 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) 292-4280 or (709) 729-7634 and the appropriate Municipal Authority or Watershed Monitoring Committee at (709) 651-5915.
17. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.
18. This Permit is valid for one year from the date of issue.
19. Any changes in water quality resulting directly from this project, rendering the water unsuitable as a public water supply, are the responsibility of the Permit Holder. The Minister may order the Permit Holder to provide an alternate source of potable water to the affected community until water quality returns to an accepted level.
20. All vehicles and equipment must be in good working order with no leaking fuel, oil, or other harmful substances that could impair water quality.
21. 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.
22. Any streams not visible on a 1:50,000 scale map (including field identified streams) shall require a minimum buffer of 30 m.
23. 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.

24. 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.
25. 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.
26. 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**

27. 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.

28. 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. 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. Sample should be analysed for:

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

29. Drilling fluids other than water must be approved by this Department prior to their use.

30. Unless listed above, all conditions outlined in the **Environmental Guidelines for Construction and Mineral Exploration Companies**, must be strictly adhered to.

31. Water, runoff or effluent must not be discharged within 30 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.

32. 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.

33. At least seven (7) days advance notice of the beginning and end of the planned drilling operations is required. The Chair of the Gander Lake Watershed Management Committee and the Environmental Scientist must be notified via e-mail, and at the contact numbers notes in Condition 11 above. 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.

34. Diamond drilling or trenching operations can not be undertaken without a valid Water Use License/Permit.

35. All boreholes shall be sealed with bentonite to prevent any artesian flow.

#### **Fuel Storage**

36. 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.

37. 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

38. 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.

39. Any spills of gasoline, fuel or oil, regardless of volume, shall be reported immediately to the Environmental Scientist and the Watershed Management Committee by calling (709) 292-4280 or (709) 729-7634 and (709) 651-5915 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.

#### **Protected Miscellaneous**

40. 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.

41. Wood and brush removed from the work site must not be stored within undisturbed buffer zones of any water body.

#### **Special Conditions**

42. Due to the nature of the activity, the proponent was required to submit a Contingency Plan in case of any environmental incident. If there are any problems with the activity that may lead to potential water quality impairment (i.e., sedimentation, fuel spill), the Contingency Plan submitted by the proponent must be implemented in a timely manner to minimize environmental damage and the potential for impairment to drinking water quality.

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR  
Department of Municipal Affairs and Environment

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**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: Janice McCarthy  
Senior Engineer  
Water Resources Management Division  
Dept of Municipal Affairs and Environment  
JaniceMcCarthy@gov.nl.ca
- cc: Ms. Paula Dawe, P.Eng.  
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Water Resources Management Division  
Department of Municipal Affairs and Environment  
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- cc: Town of Gander  
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- cc: Town of Glenwood  
Ms. Susan Gillingham  
P.O. Box 130  
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townofglenwood@hotmail.com





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) 39

Date: **SEPTEMBER 26, 2019**

File No: **550-01-02-05-075**

Permit No: **PRO10665-2019**

Permit Holder: **New Found Gold Corp.**  
**56 Carpasian Rd.**  
**St. John's, NL A1B 2R2**  
**gmatheson@newfoundgold.ca**

Attention: **Greg Matheson**

Re: **Gander Lake WSMC - Gander Lake PPWSA - Mineral Exploration - New Found Gold Corp.**

Permission was given for : **diamond drilling up to a total of three (3) boreholes and approximately 250m of access trails, in the Gander Lake Protected Public Water Supply Area (used by the Towns of Gander, Appleton, and Glenwood) with reference to the application dated July 22, 2019 and additional information provided August 26, 2019. Note: Washroom facilities and fuel storage will be located outside of the Protected Public Water Supply Area.**

*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:

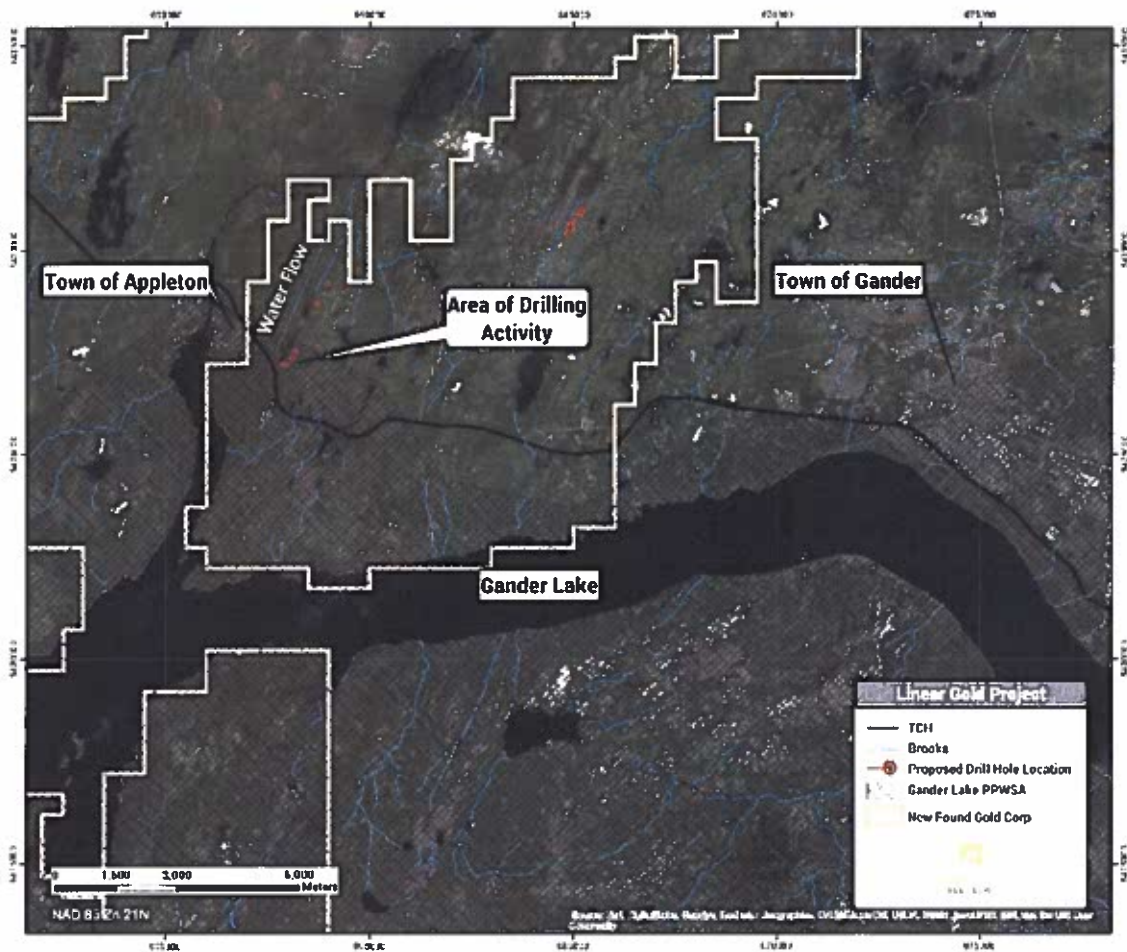
This completion report must be completed and forwarded to the following address upon completion of the approved work.

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

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR  
Department of Municipal Affairs and Environment

File No: 550-01-02-05-075  
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APPENDIX D  
Location Map for Permit



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